

Knocked out by a torrent of words

Mugabe snub for 'useless' Howe mission

Zimbabwe's Prime Minister, Mr Mugabe, rejected the Howe mission to Africa as "a useless exercise".
A leading black trade unionist, Mr Amon Msane, was arrested on his return from a visit to the US.
The South African Broadcasting Corporation praised Mrs Thatcher for her "uncompromising stand" on sanctions.
Mr Leon Brittan called on the Government to declare its readiness to impose sanctions on South Africa.

From Jan Raath, Harare

Mr Robert Mugabe, the Prime Minister of Zimbabwe, last night completely rejected Sir Geoffrey Howe's mission to bring about dialogue in South Africa as "a useless exercise".

Mr Mugabe also said he would not entertain further talks with Sir Geoffrey, the Foreign Secretary, on his initiative.

He said he doubted the sincerity of the mission. He questioned what Sir Geoffrey "as a lone adventurer" could do when the seven-man Eminent Persons Group had failed.

"I might as well tell him (Sir Geoffrey) if he will come again to see me about his initiatives. Certainly I cannot remain party to useless discussions."

He was speaking after a 75-minute meeting in Harare with the Foreign Secretary.

He also referred to Sir Geoffrey's announcement that he hoped to involve Mr George Shultz, the US Secretary of State, in the negotiations. "I can assure you we will not think much of the exercise even if it involves the Americans."

"How do you persuade by mere word the Botha regime to go into negotiations to dismantle apartheid without sanction?" Mr Mugabe doubted that "the sweet tongue of Geoffrey Howe can move the apartheid mountain".

After seeing Mr Mugabe, Sir Geoffrey announced that meetings had been arranged in South Africa between him and Mr Botha on July 23 and 24.

Another meeting, with Mr Shultz, is proposed for the end of the month for talks on Sir Geoffrey's EEC initiative to bring South Africa's white rulers and black opposition leaders to negotiate.

He was meeting Mr Botha twice to get an opportunity for having a first attempt for reaching an understanding.

Zimbabwe and Mozambique, on behalf of the EEC.

But he has made it clear that the mission goes beyond the Western European nations he represents as the President of the EEC Council of Ministers.

In Lusaka on Wednesday he said he could be regarded as "the spearhead of a co-ordinated international effort whose goal is the search for peaceful change". The proposed involvement of the US is seen as providing the mission with considerably more weight.

Sir Geoffrey is proposing a five-point of range of views to the black leaders.

The chief elements of this appear to be that South Africa's apartheid system has to end; that there is still room for negotiation and any chance for this must be pursued; and that comprehensive economic sanctions will not bring down apartheid.

Games on issue: Sir Geoffrey yesterday at the end of his discussions was told by Mr Mugabe that Zimbabwe was still "looking at the issue" of a possible withdrawal from the Commonwealth Games in Edinburgh.

Sir Geoffrey said the withdrawal of Ghana and Nigeria was "very regrettable" and he urged both countries to reconsider their decision.

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The serious spotlight falls on Woody Allen, whose new film opens in London next week. He talks about the deadly serious business of being the wittiest film maker around.

Tomorrow
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Sanctions backed by Brittan

Mr Leon Brittan, the former Conservative Cabinet Minister and hitherto regarded as one of the Prime Minister's closest followers, last night called on the Government to declare its readiness to impose sanctions against South Africa.

Mr Brittan said that without the knowledge that Britain was prepared to take stronger measures against the Pretoria regime if necessary, Sir Geoffrey Howe's mission to southern Africa would be "utterly hopeless".

Mr Brittan is one of the Foreign Secretary's closest political colleagues and his declaration last night left the Prime Minister looking even more isolated within her own party in her outright opposition to sanctions.

Mr Brittan's intervention came as the Prime Minister prepared to fly today to Canada where she is expected to attempt to win over Mr Brian Mulroney, the Canadian Prime Minister, one of the seven heads of government who will attend next month's Commonwealth summit in London, to her stand on sanctions.

In the Commons, Mr David Steel, the Liberal leader, asked Mrs Thatcher which she was more proud of - the praise showered on her by South South African radio, the humiliation of the Foreign Secretary in Zambia or the damage to the Commonwealth Games.

Mrs Thatcher replied: "I think the argument against general economic sanctions and punitive economic sanctions has been won."

Surprise choice for wedding photos

By Alan Hamilton

An Edinburgh-born fashion photographer working in New York has been chosen by Prince Andrew and Miss Sarah Ferguson to take the official photographs of the royal wedding on July 23.

Mr Albert Mackenzie Watson, aged 43, said from his New York studio yesterday that the invitation had come "out of the blue" about eight weeks ago.

Prince Andrew had contacted him in the United States last year, admired his work, and invited him to lunch at Buckingham Palace.

Describing the commission as "a big thrill", Mr Watson said: "I have to do everything I can to make it go smoothly. My only concern is the time aspect. I shall only have a few minutes to organize everyone. When everyone comes through the door I shall need to be quite firm. I want it to look amazing."

Mr Watson said of Miss Ferguson: "I think she is wonderful. I love her hair and her natural beauty; that is something I have to go after. I think there is a sense of fun and adventure about both of them which is nice."

Of Prince Andrew's own photography, Mr Watson said: "I like his landscape photographs. I think he has real sympathy with landscapes. I told him he should do more of that."

Mr Watson's agent, Mr Peter Schrub, said from New York that the hallmark of Mr Watson's work was "high energy". "When Albert and Prince Andrew met at Buckingham Palace they hit it off very well and spent most of the day together."

Although a newcomer to royal commissions, Mr Watson is a well-known fashion photographer whose work regularly graces the covers and pages of *Vogue*. His previous subjects have included Cht Eastwood, Sophia Loren and Mick Jagger.

Babies report 'clears' Savage

By Thomson Practice Science Correspondent

Mrs Wendy Savage, the consultant obstetrician suspended for 15 months over allegations of professional incompetence, claimed yesterday that she had been completely vindicated by an independent inquiry.

Its findings have not been published, but copies of the first half were made public by Mrs Savage's supporters yesterday after being sent to her and the Tower Hamlets health authority in east London.

The allegations of incompetence concerned the delivery of five babies. One was still-born, another died eight days after being born, but the others are healthy.

The public inquiry this year revealed conflicts between Mrs Savage and some male colleagues.

Her solicitor, Mr Brian Raywood, said: "Out of 58 separate allegations we can find only four which the inquiry panel considered valid, but even these did not include levels of incompetence. The others are held to be invalid."

Mrs Savage said she hoped to be reinstated at the London Hospital, Whitechapel, next month.

The health authority said yesterday that members were being given copies of the 150-page section of the report. As soon as recommendations are made, the authority would hold a special meeting "very quickly", a spokesman said.

The first part of the report says: "We do not agree that the five cases, even if they should properly be taken together, reveal a consistent aberration of clinical judgement."

"We do not agree that taking the five cases together, Mrs Savage's patients were exposed to unnecessary and unjustifiable risks."

"We do not agree that Mrs Savage's conduct was, or is, not such as meets the standards reasonably required of a senior lecturer at a major teaching hospital."

"We have heard no evidence of sufficient weight that Mrs Savage's criteria for safe practice are unreasonable."

"We have heard no evidence of sufficient weight to indicate that Mrs Savage's general standards for safe obstetric practice are lower than those of anyone else at the London Hospital."

Mrs Savage, aged 51, an obstetrician for 20 years and mother of four children, has been an outspoken advocate of natural childbirth.

After commenting on the findings yesterday, Mrs Savage joined hundreds of supporters, mainly women, including health workers, doctors, students, midwives, mothers and children, in a march in east London.

Leading article, page 17



A jubilant Mrs Savage on the march in London yesterday. (Photograph: Tim Bishop)

10 years jail for German spy pair

By Stewart Tandler Crime Reporter

An East German man and wife spy team described as "intelligent, talented and determined" were each jailed for 10 years yesterday at the Central Criminal Court for working as undercover intelligence officers in Britain.

Reinhold Schultze, aged 33, and his wife Sonja, aged 36, were convicted of acts preparatory to passing information under the 1920 Official Secrets Act. Neither gave evidence during the trial.

The court had heard that miniature spy equipment was hidden in the garden shed of their west London home, including "escape kits" with false identification papers and secret Morse code messages from East Germany. The couple had admitted possessing false papers.

They were caught last August in a Special Branch raid summoned by MI5 following the defection of Hans Tiede, head of West German counter-espionage. The police were called in to catch the Schulzes before they too fled. The thrust of the Schulzes' work remains unknown.

Sentencing them yesterday, the judge told the couple that they had been convicted on "overwhelming evidence of a very serious offence against this country and its citizens. Whether you have communicated secrets and caused actual damage to this country is not known."

"If you had not been detected it is certain you would have done what you were sent here to do and had made elaborate plans to do it." He said that although their offences were serious they would not be sentenced to the maximum of 14 years, but would still each receive a heavy sentence of 10 years for the espionage charge and three years concurrent for possessing false papers.

The judge also made a recommendation for their deportation at the end of the sentences.

GCHQ alert, page 3

Liner warned over hygiene

By Angella Johnson

Southampton port health officials say they had warned P&O that their cruise liner, Canberra, needed urgent improvements in the standard of hygiene before the ship set sail for its cruise around the Mediterranean which has left 75 people struck by a unidentified sickness.

They said the liner should not have sailed from the port on July 5 with 1,600 passengers on board after a health inspection revealed "grave concerns" over hygiene in catering and water supply.

The inspection had been carried out within hours of the last cruise which left 153 people suffering from severe cases of vomiting and diarrhoea.

No cause of the sickness has yet been found, but health officials said they told P&O there was a strong possibility the symptoms could recur if standards were not improved.

Within 24 hours the ship set off on the current cruise without making many of the improvements recommended and with three health officials on board.

A spokesman for the port health officials said: "We were powerless to do anything to prevent the ship leaving port."

A representative of the London-based Communicable Disease Centre is carrying out surveys to try to isolate the bug. Two members of the Southampton public health services are looking at hygiene standards.

Mr Ian Gibb, Canberra's captain, said the decision to sail was taken by the ship's owners. He said he has visited all the sick passengers and claimed the illness was only for a brief duration.

But the BBC's bridge and chess expert, Mr Jeremy James, who had been taken ill on the previous cruise, says he still suffers from the after-effects of fatigue and trembling after planting a few flowers in his garden.

Mr Brian McDonald, the cruise director, says he has no plans to cut short the trip. He said the vast majority of passengers did not even know of the problem.

Investors warned Labour will buy back British Gas

By Richard Evans and Sheila Gunn

The Labour Party yesterday warned potential investors in British Gas, which is to be privatized this autumn, that it will be returned to state control with shares bought back at the original price.

The sale of British Gas is expected to raise around £8 billion.

At the Newcastle-under-Lyme by-election campaign, Mr Stan Orme, shadow Energy Secretary, confirmed that a future Labour government would use a formula similar to that already proposed for regaining control of British Telecom.

Under the BT "social ownership" plan shareholders will be given the chance to sell their shares back to a Labour government at the price at which they bought them - 130p compared with the current market price of 204p - or they will be able to exchange their shares for bonds, but lose voting rights.

Mr Orme's proposal, made in advance of the Government's biggest privatization scheme so far, immediately raised fears that potential investors will be put off from buying shares in the new company.

But Mr Peter Walker, Secretary of State for Energy, last night described Mr Orme's proposals as an "absurd policy" and insisted the flotation would not be endangered.

"The privatization of the British Gas will only benefit the merchant banks, the stockbrokers and the advertising agents in the City of London and in the financial centres of the United States, Japan and Europe," Mr Orme said.

Mr Paul Channon, Secretary of Trade and Industry, yesterday launched a full-scale assault on Labour's "social ownership" plans.

He told the Institute of Chartered Accountants' annual conference in Cambridge that Labour's policy was no more than "plain old-fashioned renationalization by another name".

Mitterrand raises hopes for summit

From Christopher Walker, Moscow

Optimism about the chances of a second superpower summit before the end of the year, as originally envisaged, grew significantly yesterday when President Mitterrand of France ended a long series of talks in the Kremlin with the confident prediction that, despite obstacles, it would go ahead.

"My feeling is that it will take place, but the diplomacy still has a lot of work to do," the French leader told a crowded press conference after a successful visit which has gained an added dimension because it immediately followed his talks in New York with President Reagan.

A similar prediction that the Gorbachev-Reagan meeting will take place as intended before the year's end was made here yesterday by Dr David Owen, the Social Democrat leader, after more than 90 minutes of private talks with Mr Anatoly Dobrynin, the former Soviet Ambassador in Washington who is now one of Mr Gorbachev's closest foreign policy advisers.

Dr Owen told British correspondents that he believed the Washington summit would be held in December after the US congressional elections. He added, after also talking with Mr Arthur Hartman, the influential US Ambassador, that Washington was expected to issue an interim reply to recent Soviet arms proposals "in a matter of weeks."

Leading Western diplomats who have been following the French visit, pinpoint President Reagan's recent speech at Glassboro as the main factor contributing to the new impression that the recent deadlock over the summit date can now be broken.

M Mitterrand and Dr Owen emphasized separately that the Kremlin was insisting

Continued on page 20, col 8

Sterling drops sharply

By David Smith Economics Correspondent

The pound fell sharply yesterday, in response to renewed oil price weakness. But share prices continued to recover.

Sterling's slide removed remaining City hopes of an early base rate reduction. It fell 80 points to \$1.5170 against the dollar and, more significantly, more than three pence against DM3.2968 against the mark. The sterling index declined by 0.6 points to 74.9.

The main source for the pound's weakness was lower oil prices. Brent crude oil for delivery in August was traded at \$9.70 a barrel, and there were reports of some Middle East crudes being offered in London for \$7 a barrel.

Government stocks fell by an average of 50p, but share prices were up again. The Financial Times 30-share index rose by 9.1 points to 1,340.6.

Leading article, page 17
Oil price fall, page 21



A Matter of Honour. The new novel by Jeffrey Archer.



The greatest chase story of our time. Hodder & Stoughton £9.95

Israeli jets hit refugee camp

Jerusalem - Israel yesterday bombed a Palestinian refugee camp south of Sidon in southern Lebanon, military spokesmen said (Ian Murray writes).

The raid came scarcely 12 hours after four Palestinians and two Israeli soldiers were killed in a gun battle.

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Leading article, page 17

MPs' holiday

The House of Commons will adjourn for the summer recess on Friday, July 25.

£56m loss on Lear jet project should have been avoided, MPs say

By Richard Evans, Political Correspondent

The loss of £56 million of taxpayers' money in an experimental aircraft project which failed could, and should have, been avoided, the Commons Public Accounts Committee said yesterday.

But the Northern Ireland Department of Commerce allowed its enthusiasm for the Lear Fan jet scheme, and the substantial employment prospects, to blunt its perception of the high risks involved.

The all-party committee, Parliament's public spending watchdog, said that the Lear Fan project had many of the features of the disastrous DeLorean car fiasco, which was also backed by the department and cost the taxpayer almost £80 million.

The MPs said that the caution expressed by the Ministry of Defence, together with other early-warning signals ought to have persuaded the department not to assist the project.

After the decision had been taken by ministers in February 1980 to back the scheme, officials did not carry out an adequate financial appraisal of the project.

They also failed "to accord public funds at least the same level of protection as that provided for the private investors' funds" when further cash support was sought a year later.

The committee blames the quality of management throughout the six-year saga as a significant cause of the project's failure.

"It is too early to know if any of the £56 million of public money invested in this project will be recovered."

The department was approached in October 1978 by the Lear Avia Corporation, based in Nevada, to see if it would provide taxpayers' money towards the continuing development in the United States, and eventual manufacture in Northern Ireland, of the Lear Fan 2100, an eight-passenger turbo-prop jet.

In early 1980 ministers agreed to a package of grants and loans, not exceeding £16.25 million, based on a plan which envisaged the aircraft gaining its airworthiness certificate by September 1982, and up to 1,250 jobs being created in Northern Ireland.

But within months the department was agreeing to guarantee bank borrowing up to \$15 million (£10 million) because of a shortage of private investment.

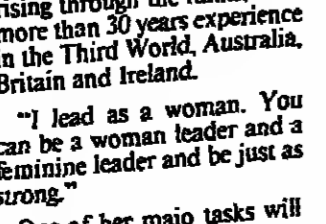
The target date for the jet gaining its airworthiness certificate slipped back repeatedly, and the demands for extra cash continued.

By August 1982 the department had committed £34.12 million to the project.

Although a Saudi Arabian group agreed to invest up to \$60 million (£40 million) in the jet project, the troubles continued, with technical difficulties and test failures.

The Lear Fan project was finally wound up in May 1985, by which time £55.67 million of taxpayers' money had been invested.

The Lear Fan jet, product of a failed experimental project which used £56million of taxpayers' money.



Audit of opera accounts ordered

By Gavin Bell, Arts Correspondent

A special report into the accounts of Opera North is being prepared, after allegations concerning the financial management of the subsidized company.

The audit was ordered by Sir Gordon Linacre, the company chairman, and Mr Tom McDonald, chairman of its finance committee, after leading members of Leeds City Council received a number of anonymous telephone calls.

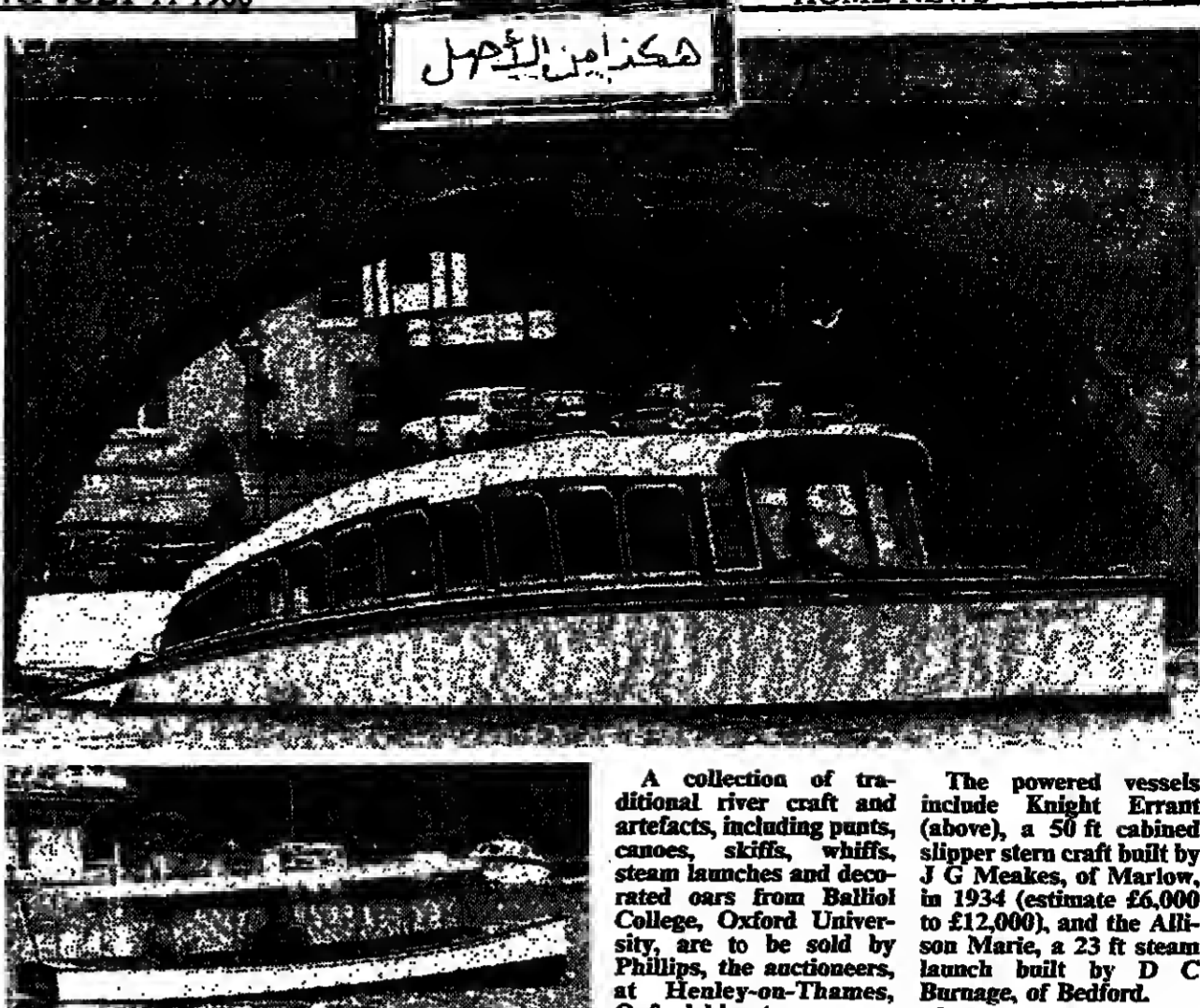
Mr McDonald told *The Times* that because of the non-specific nature of the allegations a wide-ranging investigation was taking place.

"I was surprised by the allegations and have no reason to believe they will be substantiated. However, I must reserve judgement until the outcome of the audit is known."

The city council is contributing more than £400,000 this year to Opera North, which is based at Leeds Grand Theatre. The principal funding of £2.5 million is provided by the Arts Council, while private sponsorship amounts to about £50,000.

Mr Nicholas Payne, the general administrator of Opera North, rejected the allegations as ludicrous: "We have to work to a very tight budget, as we receive less funding than other major opera companies."

"Of course it's worrying to have something nasty like this flying around, but I am quite confident the audit will vindicate us."



A collection of traditional river craft and artefacts, including punts, canoes, skiffs, whiffs, steam launches and decorated oars from Balliol College, Oxford University, are to be sold by Phillips, the auctioneers, at Henley-on-Thames, Oxfordshire, tomorrow.

'Get-tough' move on copyright music

A new get-tough policy by the Performing Right Society could land many small business people in the High Court.

The policy, under which the society is taking a harder line with those who play copyrighted music in their premises without a licence, came into force on July 1.

Its enforcement was an important topic at the society's annual meeting in London yesterday.

Proprietors from corner shops to top hotels, will have to pay a 50 per cent penalty surcharge on their first year's licence fee if they are caught playing music without a licence.

The society brings at least one High Court action a week against licence evaders.

"From July 1 we are adopting a get-tough policy. We have around 40 inspectors touring the country to ensure that music is not played publicly without a licence," a society spokesman said.

"If a proprietor of premises where music is played refuses to take out a licence then, whether he has a corner shop or a dance hall, he will be taken to the High Court."

"More than 50 High Court orders were issued last year banning the playing of copyrighted music until the proprietors took out licences."

Pledge on subliminal TV fight

Mr Norris McWhirter pledged yesterday to continue his battle against the transmission of subliminal images on television, after his bid to bring a private prosecution against the Independent Broadcasting Authority failed in the House of Lords.

A committee of Law Lords, headed by Lord Keith of Kinkel, refused to allow Mr McWhirter to argue his case in the House of Lords because his petition for leave to appeal was one day late.

Mr McWhirter, co-founder of *The Guinness Book of Records*, had alleged that a "grotesque and ridiculing" image of his face superimposed above the body of a naked woman, had been flashed on screen during the satirical *Spitting Image* programme.

Last January, the High Court quashed his private summons issued by Horseferry Road Magistrates' Court, south-west London, and banned all further proceedings on the ground that the summons disclosed no offence known in law.

Mr Francis Bennion, counsel for Mr McWhirter, told the Law Lords yesterday that the petition had been out of time because of a default by officers of the High Court.

But Lord Keith said that although the Law Lords had a "great deal of sympathy", they had no power to dispense with the strict time limits laid down for prosecution appeals.

Mr McWhirter said afterwards: "This is not the end of the road - there will be other cases. I know of six others."

"The rule of law requires that people should not be subjected to transmissions which only register in their sub-conscious."

Easing of sheep restraints

The Commons were told at Question Time yesterday that more areas in Cumbria and Wales had been cleared from the restrictions on movement and slaughter of sheep, imposed in the wake of the Chernobyl nuclear disaster.

Announcing a lifting of the ban on specified areas, Mr Michael Jopling, Minister of Agriculture, said that no decision could be made yet on the size of compensation to farmers who have suffered because of the restrictions.

Gay bookshop trial dropped

Charges relating to the importation of indecent and obscene material against seven men and two women from Gay's The Word bookshop, Bloomsbury, central London, were withdrawn at the Central Criminal Court yesterday.

Driver faces murder charge

A driver aged 18 in the Royal Corps of Transport was charged yesterday with the murder of Miss Julia Harrison, aged 16, an Army captain's daughter, at Catterick Garrison, North Yorkshire.

'Army' head backs women priests

Women should be ordained into the Church of England, General Eva Burrows, the new world leader of The Salvation Army, said in London yesterday.

General Burrows, who is only the second woman to hold the post of world leader, criticized the General Synod's debate over women priests in the Church of England for getting "bogged down" on an issue that had grown out of all perspective.

"It is very sad the Church has become so intensely concerned about such an issue. I believe women should have the opportunity to minister in the Church," she said.

Speaking about her role directing the Salvation Army's operations in 80 countries, General Burrows, aged 56, said that being a woman had never prevented her from rising through the ranks, after more than 30 years experience in the Third World, Australia, Britain and Ireland.

"I lead as a woman. You can be a woman leader and a feminine leader and be just as strong."

Would you give up a secure office job to walk the streets?

Police service isn't the first choice of career for everyone. Many of our officers have abandoned all sorts of apparently promising professions to join the Met.

If you were to ask them "why?", they'd all give you different reasons. However, there is one thing on which they all seem to agree. Being a PC in London scores very highly indeed when it comes to job satisfaction, whatever your definition of the term may be.

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"I JUST WASN'T LEARNING ANYTHING!"
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"DO I FIT THE BILL?"
Academically, we're looking for around five good 'O' levels. But if you've got 'A' levels or a degree, so much the better. You can't be over-qualified for this job. Although your personal qualities are as important as your qualifications. You must be at least 5'8" (172 cms) tall for a man, 5'4" (162 cms) tall for a woman, physically fit and mentally agile. You'll need more than your fair share of common sense and we find that on occasion, a sense of humour is a definite advantage. Oh, and don't worry if we're not your first career. As a professional police officer, you never know when your previous experience is going to come in handy. For further information, phone (01) 725 4575. Or write to the Appointments Officer, Careers Information Centre, Dept. MD615, New Scotland Yard, London SW1H 0BG.

"I WANTED A BIT MORE VARIETY!"
If you're serving with the Met, the last thing you're likely to get into is a rut. You'll find yourself involved with everything from accidents, robberies and rapes to lost tourists and people who just want to pass the time of day. You'll have to cope with matrimonial disputes, noisy neighbours, con-men, drunks and drug-pushers. It's not exactly a laugh a minute, but there is little opportunity for boredom to creep in. In fact, it can be a bit like having a different job every day. And sometimes, like half a dozen jobs at once.

"I WANTED TO MAKE IMPORTANT DECISIONS!"
Making vital decisions is an everyday occurrence for PC's on the street. You'll often find yourself in situations where you'll have to think quickly, then act. Fast. Talk a suicidal drug addict in from a ledge: or make a grab to pull him in? Sort out a punch-up yourself: or call for assistance from your colleagues? Hand out a bit of advice to a careless driver: or prosecute? The responsibility sometimes weighs heavily. But if you can cope, it's a bit more rewarding than sitting around a conference table deciding what to do about the company's ailing sales figures.

DETECTIVE CONSTABLE CHAMBERS
'A' levels. Spent one year as a management trainee with one of the clearing banks before joining the Met.

SERGEANT HEATON
BSc Leeds University. Did research work for an international oil company.

POLICE CONSTABLE LOGAN
BSc in Applied Biology. Worked on research of medical products and for four years in a leading London hospital.

Before leaving Melbourne, where she was Territorial Commander for the Australia

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Court clears
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هكذا من الخبر

French suspect terror link between Munich and Paris bomb attacks

French police believe there could be a connection between a Paris attack and the almost simultaneous bomb attack in Munich, in which a West German industrialist and his driver were killed.

Bonn hunt for nine suspects

West German police yesterday named nine suspects - four women and five men - in the search for the terrorists who murdered the Siemens scientific director and his driver in Munich.

Light jail terms for hijackers of liner

Genoa (Reuters) - An Italian court yesterday sentenced three Palestinians, including the guerrilla leader, Abu Abbas, to life in jail for the hijacking of the Achille Lauro cruise liner last year.



Achille Lauro hijack defendants behind bars at the end of their trial in Genoa yesterday (clockwise from left): Magied al-Molqi, Ibrahim Abdelatif, Said Gandura and Abbas Issa.

Neither Abbas, who was freed by Italian authorities after the hijacking, nor two of his close associates who were also given life sentences, are in custody. The court sentenced three captured hijackers to jail terms ranging from 15 to 30 years.

Kampala sacks two after attack

Kampala (Reuters) - Uganda's ruling National Resistance Movement has dismissed its chief political commissar, Commander Gyagenda Kibiranga, after an army attack on an NRM political school.

Mr Roland Kakooza, the commander of the school in Najemba forest 14 miles north-west of Kampala, has been arrested.

Ocean search for Scots girl

New York (Reuters) - US Coast Guard and navy planes were scouring the Atlantic off Newfoundland yesterday for Anne Katherine Miller, a Scottish woman sailor, after her yacht was found, apparently abandoned, by a tanker.

Son jailed for mercy killing

Martinez, California (AP) - Edward Thomas Baker, aged 37, who forced a nurse at gunpoint to disconnect his cancer-stricken father's life-support machinery, has pleaded guilty to voluntary manslaughter.

Klinghoffers outraged

New York (Reuters) - The daughters of Mr Leon Klinghoffer, the sole victim of the Achille Lauro hijacking, said yesterday they were outraged at the sentences.

South African broadcast's praise of Thatcher

State-run media follow Pretoria's line

The commentary is the work of an SABC "Comment team". Direct liaison with government officials is disclaimed. "Of course, they move in the same circles, meet at cocktail parties, and know the Government's views, and often they just happen to agree with them," one SABC source said.

Androotti facing uphill task

Signor Giulio Androotti, the veteran Christian Democrat who has been Italy's Prime Minister five times, was yesterday called in to try to form a government and fill the vacuum caused by the resignation of two weeks ago of Signor Bettino Craxi.

What the radio commentary said

Thatcher of Britain - her insistence on sticking to facts and reason - all the more remarkable. Once again, in extensive interviews with Canadian newspapers this week, she has made it clear that she has no intention of joining the mob.

Trade unions take lead in black resistance

Although the number of blacks organized into independent black unions is still relatively small - perhaps no more than 10 per cent of the potential black workforce - it is growing rapidly, and is one of the main reasons why big business is urging the Government to move faster in dismantling apartheid.

Shevardnadze visit vital to summit

Next week's long-delayed visit to London by Mr Eduard Shevardnadze, the Soviet Foreign Minister, is seen here as formal recognition by the Kremlin that Anglo-Soviet relations have returned to normal after last September's bitter round of tit-for-tat expulsions of 31 nationals from either capital.

Religious riot

Delhi (Reuters) - Sixteen people were killed and 100 injured in Muslim-Hindu riots after a Hindu march in Ahmedabad.

One year on

Greenpeace groups blockaded the French Embassy in London and the French consulate in Hamburg to mark the first anniversary of the sinking of the Rainbow Warrior by French saboteurs in Auckland harbour.

Grave move

Boxtel, Netherlands (AP) - The White Fathers, a Roman Catholic missionary order, is planning to take along both past and present members when it moves soon from St Charles Monastery here to a new building - including the ones in the monastery graveyard.

Longer life

Tokyo (Reuters) - Japanese life expectancy at birth went up last year to 80.46 years for women and 74.84 for men.

Lovers' leap

Peking (Reuters) - China's legal authorities have warned couples living together outside marriage that they are lacking in morality and breaking the law.

Sell-out

Hong Kong (AFP) - The first Chinese-language edition of Playboy magazine appeared on newsstands here on Wednesday and all 50,000 copies were sold in one day.

Court clears the way for Barbie trial

A ruling by the Paris Appeal Court on the definition of a "crime against humanity" has opened the way for the trial of Klaus Barbie, the former Nazi SS leader in Lyons, for his part in the deportation of French Resistance fighters and Jews.

Historian wins action over deportation

Mr David Irving, the British historian, has successfully brought an action against the Austrian Government for deporting him from Vienna in June 1985.



Sister Clare Harkin (left) after being released from detention at Pollsmoor prison, South Africa. On Wednesday Mr Justice Marais found that her arrest in Guguletu on June 23 and detention under the emergency regulations was illegal. She was detained after a funeral in New Crossroads, when she intervened in a beating, and was said to have sworn obscenely at a policeman and hindered him in the course of his duty.

US civil defence is in a parlous state

With a budget of 55 cents (36p) per citizen, US civil defence is in a parlous state. According to a new report, any ability to protect the population and operate the government in the aftermath of a nuclear war is "low and declining".



We've finally found an answer to this ancient Chinese puzzle.

In the Chinese capital of Beijing (Peking) the bicycle is still the most popular form of transport.

Almost too popular you might say.

Because at 7.15 every morning, a few million cyclists on their way to work converge on the city centre and create one almighty traffic jam.

It's a ticklish little problem that had baffled the authorities for years until just recently they hit upon an answer 6,000 miles away.

Here at Plessey in Britain.

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What brought Plessey to the attention of China was our unique traffic control system that's already in operation in the UK. To date, eight major cities have installed it. Another six have it on order.

For Beijing, we specially adapted the system from its usual motor vehicle basis and developed detector techniques to allow for the smaller metal content and slower speeds of the bicycle.

Now, we're about to supply, install and commission hardware and software for the project.

This includes intersection controllers, detectors, plus computer management with operator peripherals and wallmap displays.

So, 15 months from now, Beijing's cyclists should be happily freewheeling again.

All systems go.

Our traffic control systems are merely the tip of the iceberg as far as Plessey's activities go.

We're dedicated to technology in areas as far ranging as telecommunications, defence and micro-electronics.

Our investment for the future too, goes beyond research and development and into people.

In recent years we have recruited up to 10% of the nation's brightest electronics graduates.

Many of them stay with us and become part of our management structure. So that most of our divisions have managing directors in their forties—with a strong entrepreneurial spirit.

Our operating profits over the past 5 years underline the fact. They show an increase of 89% with a compound annual rate of growth in profit before tax of 15%.

And this over the most testing period for any electronics company spanning as it did the huge technological change from analogue to digital electronic systems.

The fast lane.

The next few years look particularly healthy for us in the area of new product development.

Equally, initiatives in the United States, Europe and Australia suggest a substantial strengthening of our international operations.

For this success to continue, it is vital that we preserve the qualities which make us unique as a company.

And we believe that we can only do this by maintaining our independence.

Having just helped a whole city to speed up again, we'd hate to see ourselves slowing down.

PLESSEY
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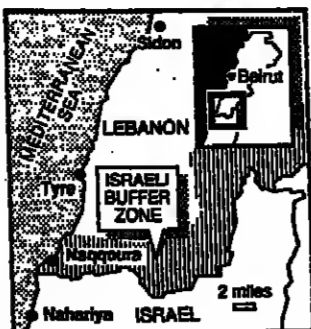
Suicide beach
The British...
Shin Bet admit co
From the...
Boom time
Anti-inflation fall victim
From A Correspondent
The Brazil...
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Business is...
In part by...
Chernobyl its sixth
By Mar...
Mr Vladimir...
The Soviet...
monitored by the BBC...
that four other officials —

هكذا من الأجهل

Suicide guerrillas in fierce beach battle with Israelis

From Robert Fisk Beirut

For the first time, Palestinian and Lebanese guerrilla groups mounted a joint operation against the Israelis in southern Lebanon yesterday, engaging Israeli troops in a suicidal two-hour gun battle that left four of their own men and two Israeli soldiers dead. Nine other Israeli soldiers were wounded in the fierce fighting on a Mediterranean beach just south of the UN headquarters at Naqoura in the early hours of the morning, during which the Palestinians and Lebanese hurled grenades at Israeli troops. The boat on which the guerrillas were trying to sail south towards Israel had been intercepted and set on fire by an Israeli naval patrol.



claiming responsibility for the attempt to infiltrate to Israel in what they described as "a seaborne suicide operation". The statement claimed that five Israeli soldiers had been killed just north of the Israeli coastal town of Nahariya. In fact, the guerrillas never reached Israel. They beached their burning dinghy on the Lebanese coast just north of the Israeli frontier but inside Israel's occupation zone in southern Lebanon.

For two hours, UN troops at their nearby headquarters heard explosions and heavy shooting from the beach to the south and saw Israeli helicopters firing onto the coastline. The Israelis put up illumination flares for most of the two-hour battle, but still apparently failed to capture all the guerrillas.

In Sidon, SSNP officials claimed that they had been in touch with three survivors by radio. They said that their attack had been carried out to commemorate the death of the founder of their party, Antoo Saadeh, who was shot by a Lebanese Government firing squad for leading an armed revolt in 1951. The SSNP advocates the merger of Lebanon, Syria, Jordan, the old Palestine, Iraq, Kuwait and Cyprus into a greater Syria.

According to the Israelis, the guerrillas were seen by the crew of an Israeli Dabur naval patrol boat as they were sailing in a rubber dinghy off the coastline at 3.30 yesterday morning. According to a wounded Israeli soldier, interviewed later on Israeli armed forces radio, the guerrillas' boat was hit by Israeli tracer from a range of 200 yards. "It was hit by tracers and went up in flames," the soldier said. "We came within 20 yards... it was already burning on the beach, and then they threw a grenade. A few hours after the battle, shells were fired from gun positions of the Israeli Army and its proxy Lebanese "South Lebanon Army" militia in the occupation zone. The bombardment fell on the Shia Muslim village of Kar Ruman where, according to local police reports, a girl, aged 12, was killed and her younger brother wounded.

The Syrians are clearly going to be identified with yesterday's attack; both groups involved draw their inspiration — and their weapons — from Damascus, Syria, — from Damascus, Syria, — it seems, is prepared to impose its security plans upon Beirut but is in no mood to encourage an end to the guerrilla war against its Israeli enemy in southern Lebanon. The Syrians, however, have enemies enough in Beirut. Two bombs have exploded near the headquarters of their plainclothes security police in

Troubled Paris news agency hit by strike

From Diana Geddes Paris

Unions representing the 2,000 journalists and workers at Ageoce France-Presse (AFP), one of the world's four largest international press agencies, began a 24-hour strike at noon yesterday in protest against the management's recently announced draconian "recovery plan", which will cost 300 jobs. On Tuesday the agency's board of directors endorsed a proposal to shed 300 jobs within the next three years, half of them belonging to journalists, after hearing that the agency made a loss last year of 63.7 million francs (£6 million) on a turnover of 700 million francs. Although AFP had budgeted for a substantial deficit in 1985 — in view of a costly development plan launched the previous year — its losses were much higher than expected. In addition, its income was lower than predicted because of fierce competition. AFP is technically an independent agency, though 56 per cent of its income comes from the 340 French government agencies throughout the world which take its service. A disproportionate increase in the fees paid by the 340 has been ruled out, on the basis that AFP would risk losing its independence.



Bodies of three guerrillas lie on the beach after the firefight as Israeli troops stand guard.

Shin Bet officials admit cover-up

From Ian Murray, Jerusalem

Two senior Shin Bet officials, who were granted pardons for their parts in the cover-up of the deaths in custody of two Palestinian hijackers, have explained anonymously to the High Court of Justice that one concealed the role of the Shin Bet in the killings and the other helped witnesses concoct evidence to fool the inquiry.

Mr Yosef Harish, the Attorney-General, has said he will tell the hearing that the police inquiry cannot be stopped if, by then, the Government still continues to refuse to set up a secret judicial inquiry. Mr Harish has said he would prefer a judicial inquiry expected to apply for them if they are charged following a police inquiry into the affair. Meanwhile, the court has announced it will hear the many outstanding cases in the Shin Bet affair on July 20. These will include hearing the Government's reason for refusing to hold an inquiry into what happened at the time of the Palestinians' deaths.

The admissions were made known in depositions put before the court yesterday by their lawyers. The junior officials who took part in the actual killings have not been granted pardons, but their lawyers are

expected to apply for them if they are charged following a police inquiry into the affair. Meanwhile, the court has announced it will hear the many outstanding cases in the Shin Bet affair on July 20. These will include hearing the Government's reason for refusing to hold an inquiry into what happened at the time of the Palestinians' deaths.

PLO man quits Jordan

By Our Foreign Staff

Tunis (Renter) — Mr Khalil al-Wazir, Mr Yassir Arafat's military deputy in the Fatah group, left Amman for Beirut yesterday after his expulsion from Jordan following the closure of PLO offices. Leaders of the Palestine Liberation Organization have

begun an emergency meeting to review relations with Jordan because of the closure by Amman of 25 PLO offices. A PLO official said yesterday that the group's leaders will discuss the effect of the Jordanian move on the future of the Palestinian people's struggle and its consequences for inter-Arab relations.

Boom time in Brazil

Anti-inflation plan may fall victim to success

From A Correspondent, Rio de Janeiro

When Brazil declared a sweeping economic reform five months ago, the Government vowed to avoid the spectre of economic stagnation that looms over most of Latin America.

But while the neighbouring countries are slogging in recession or growing only grudgingly, Brazil is in the middle of a remarkable economic boom. Retail sales are booming, employment has plunged in main cities, and salaries have jumped an estimated 30 per cent in real value in recent months.

Business is so good, in fact, that many here are worried that the risky economic stabilization plan announced last February, which overnight reduced inflation from 250 per cent to nearly zero, may become a victim of success. Instead of cooling down the economy, President Sarney's inflation-fighting plan, the *plano cruzado*, ended up pouring more fuel on the fire. Now, some economists argue, the economy is dangerously overheated.

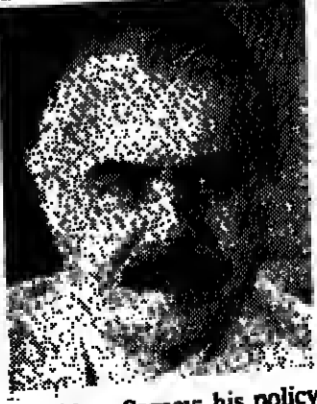
Aided in part by the government price freeze, consumers are buying with record frenzy. Not just basic goods but many of the more expensive items, such as electric mixers, colour televisions and microcomputers, lead the sales. Manufacturers cannot keep enough of such goods in stock. A new car buyer must wait at least six months for many models. Airports are jammed as the demand for airline tickets jumped 25 per cent in the last four months. Cheap fuel and larger take-home wages have increased automobile travel and created record traffic jams in cities like Rio and São Paulo.

Despite the consumer boom, industrialists appear to be waiting for firmer signs of economic stability to make significant investments for plant expansion. Now, a number of industries are producing at full capacity, resulting in severe "bottle-necks", or constrictions in production. In São Paulo, centre of the world's tenth largest automobile industry, 8,000 new cars are sitting in factory lots because of a scarcity in headlamps, tyres and gear boxes. Soft-drink vendors must wait until 1988 to place new orders for equipment.

In cities, a severe shortage of skilled and semi-skilled labour has stalled a number of construction projects. A year ago the growing pains had not yet become acute. In 1985 gross national product, the measure of a nation's economic activity, expanded by 8 per cent, one of the highest in the world. Brazilians, battered by four successive years of austerity, were just beginning to regain buying power and the Government counted heavily on the growing trade revenues to pay the \$10 billion (£6.5 billion) interest bill on its foreign debt.

But now there is a growing chorus for the Government to take stronger action. "Prices are the best way to rationalize demand," Senator Celso Maratone, a University of São Paulo economist, said. "With the uncontrolled consumer boom, the Government risks an explosion in inflation when the price freeze is finally ended." The head of the influential São Paulo Federation of Private Industries said the failure of the Government to relax price controls "would be like an ostrich putting its head underground in order not to see reality".

Last week the National Monetary Council opted to restrict consumer credit and loan operations, but Brasília has purposely avoided measures that would squeeze the consumer in favour of larger business profits. "I am not going to allow (such) privileges to return to this country," Senator Dilsoo Funaro, the Finance Minister, said.



President Sarney: his policy poured fuel on the fire.

Chernobyl inquiry gets its sixth chairman

By Mary Dejevsky

Mr Vladimir Gusev has become the sixth person to be named as chairman of the Soviet Government's commission into the Chernobyl disaster in the three months since the accident. It was initially thought that Mr Gusev, whose appointment was announced at the weekend, had replaced the first chairman of the commission, Mr Boris Shcherbina, after speculation that he had become ill.

But Soviet radio broadcasts monitored by the BBC show that four other officials — all with the rank of Deputy Prime Minister — have also been described as "chairman of the commission". Explanations for this six-headed chairmanship include that it was always intended to rotate the chairmanship among officials from different sectors.

ATHENS: The Greek Government has banned the making of wholewheat bread after receiving reports that much of this year's wheat harvest has been contaminated by fallout from the Chernobyl disaster (Mario Modiano writes).

ATHENS: The Greek Government has banned the making of wholewheat bread after receiving reports that much of this year's wheat harvest has been contaminated by fallout from the Chernobyl disaster (Mario Modiano writes).

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Dhaka violence erupts after opposition snub to Parliament

From Ahmed Fazi, Dhaka

Violent clashes broke out between thousands of opposition supporters and security forces on the streets of Dhaka yesterday as the newly-elected Parliament opened.

The inaugural session marked the first phase in the return of civilian rule after more than four years of martial law.

More than 300 people were injured as riot police and paramilitary units fired on demonstrators shouting slogans for the immediate end of military rule, hospital sources and eye-witnesses said.

About 100 people were arrested after the clashes, police officials said.

Sheikh Hasina Wazed, chief of the Awami League, announced a parallel "parliament" with 103 opposition members belonging to the League and an eight-party alliance, after police said she could not enter the Parliament Building chanting slogans.

"We are holding a session of the people's parliament," Sheikh Hasina said at the Parliament gate as opposition members accused President Ershad of delaying democracy.

While General Ershad promised in an address inside the Parliament to speed up the restoration of civilian rule, supporters of the former ruling Bangladesh Nationalist Party and the fundamentalist

Jamaat-i-Islami hurled stones and exploded hand bombs. A dozen policemen were injured in the clashes.

Police burst tear-gas shells in several places to disperse mobs breaking road barricades set up to prevent demonstrators reaching the Parliament Building.

More than 5,000 policemen were deployed around the building in the morning as tens of thousands of opposition supporters began to gather for a protest march.

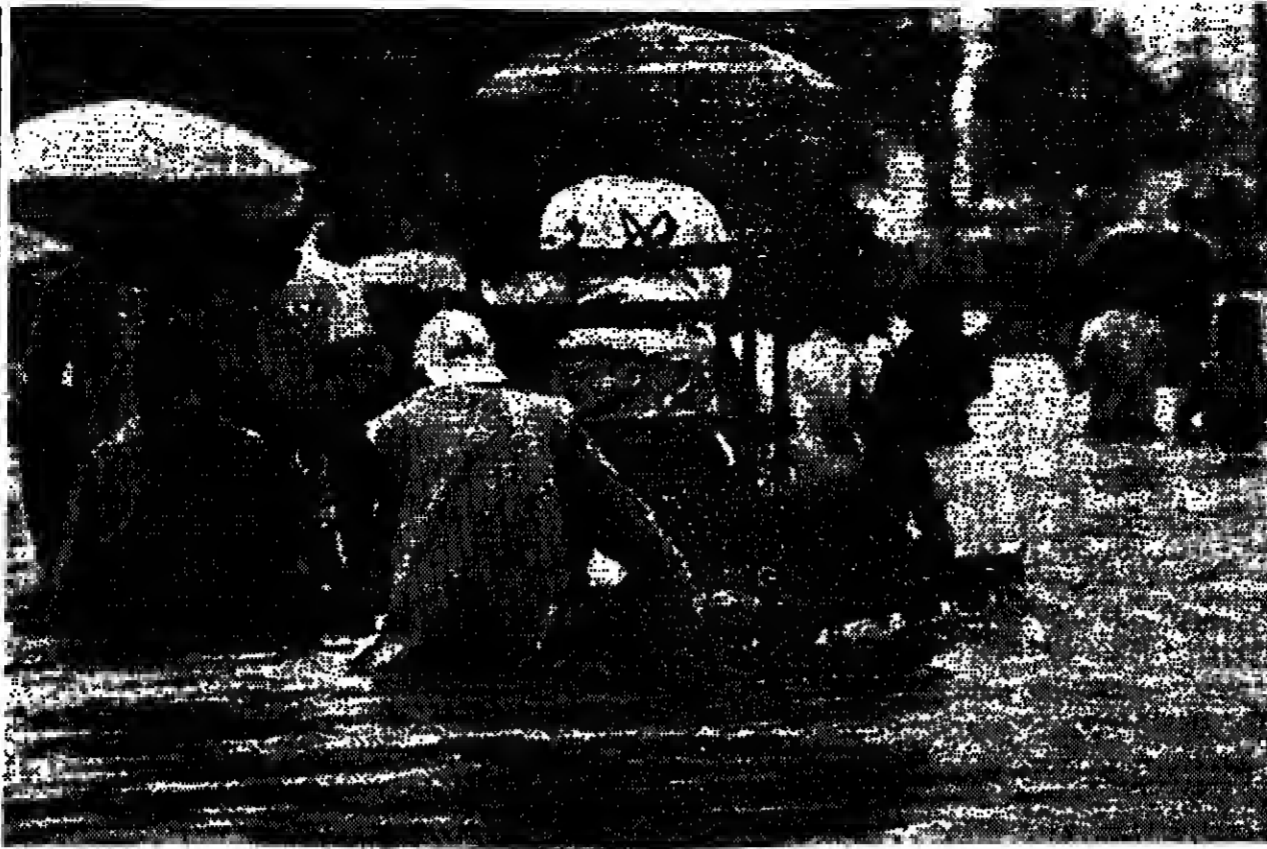
A total of 119 opposition and independent members boycotted the opening session.

A parliamentary official said 204 members, which included 199 from the ruling Jatiyo Party, were in the 330-seat house. Seven by-elections are due next month.

General Ershad said that the Parliament would become the nerve centre of all national activities in future. But he gave no date for the ending of martial law, imposed when he seized power in March 1982.

Earlier on Wednesday, General Ershad appointed a civilian Prime Minister, Mr Mizanur Rahman Chowdhury, to head a 26-member Cabinet, dropping all serving generals from the Government for the first time.

Meanwhile, the Parliament was adjourned until July 13.



People using rafts in the fishing town of Malabon, near Manila, to get through waist-deep floodwaters.

Yugoslavs jail six for sabotage

Belgrade (Reuters) - Six Albanian nationalists have been sentenced to a total of 60 years in jail for hostile actions and sabotage, the Belgrade daily *Politika* said yesterday.

The sentences were passed on Wednesday by the district court in Bar, a port city in the Yugoslav republic of Montenegro which borders Albania.

The six were accused of hostile propaganda against Yugoslavia and planning acts of sabotage. They had amassed considerable amounts of explosives and weapons for this purpose, the report said.

Typhoon pounds Philippines

From Keith Dalton, Manila

Typhoon Peggy cast a destructive path across the northern Philippines yesterday, killing more than 40 people, flooding huge areas and leaving behind a wide trail of wrecked houses, crops and buildings before heading towards south-east China.

The first typhoon of the season struck the main Philippines island of Luzon on Wednesday with 109 mph winds and torrential rain, uprooting crops and flooding huge tracks of prime agricultural land.

Early reports from Red Cross field officers pinpointed the provinces of Benguet, Nueva Ecija and Pangasinan,

where the bodies of 14 people were recovered from beneath the rubble of mud, boulders and trees which crashed and buried squatter huts clinging to the hillside.

Although 250 miles from the eye of the typhoon, Manila was buffeted by high winds and driving rain. Swirling waist-high floods inundated the low-lying suburbs. Floodwater in swollen city canals, clogged with refuse, washed away scores of squatter shanties and by mid-morning 15 evacuation centres set up in schools and municipal halls were full. All classes were suspended and workers in government and private offices ordered home.

Specialists in and out of trade unions say that the reasons behind the white-collar militancy are clearly financial. Centralized wage and price agreements which have dominated Finnish industrial relations since the mid-1970s have created clear disparities and favoured traditional blue-collar unions.

White-collar unions have not had wage rises and other benefits brought about by favourable economic conditions. Finland has had steady 3

Militancy in Finland

Middle class take over strike banner

From Olli Kivinen, Helsinki

The unruly state of Finland's industrial relations in the spring has underlined the growing importance of the Scandinavian trend towards white-collar militancy.

Strikes are becoming more and more middle-class affairs. More hours per union member have been lost in white-collar than in blue-collar strikes every year since 1982.

The last conflict, which was settled just before the summer holiday season began on July 1, was the electricians' strike, which broke recent records by lasting almost three months.

The most spectacular conflict was the four-week strike by one of the Civil Service and state employees' unions. Although disruptive, there was little actual damage. But it was an important milestone towards new militancy.

Even most civil servants in Foreign Ministry went out, and it created serious difficulties in external information after the Chernobyl disaster.

The white-collar militancy began in the 1970s when women-dominated groups, such as nursing and kindergarten teachers, started to demand reasonable wages. After this strikes spread to numerous professions, from librarians to doctors.

This forced Sak to re-establish its prominence by a general strike. It lasted only two days but showed that it is still the most important union organization and it wants to play a decisive role in negotiations between the unions, the employers and the Government.

per cent yearly growth in GNP, relative low unemployment at about 6 per cent, and steadily declining inflation for several years. But white-collar workers have not been able to keep up with manual workers' wages and many professions have also lost much of their prestige.

This has led to clearly felt frustrations, because teachers, nurses, pharmacists and most other traditional middle-class professionals cannot dream of earning as much as a skilled carpenter or metalworker not to mention smaller, specialized groups such as typographers.

Now 85 per cent of the members of Akava, the central organization for academically trained professionals, are willing to resort to strikes to improve their lot. The same figure was only 23 per cent as recently as 1982.

Structural changes in the country's economy have given white-collar unions more members and confidence, while the old unions belonging to Sak, Finland's equivalent of the TUC, are losing members. It is estimated that Akava will gain almost 50 per cent more members by the year 2000, and other white-collar unions will grow at similar speed.

This year the white-collar unions showed their strength by signing a centralized wages and taxes agreement with the employers and the Government without Sak.

Finland has had steady 3

Nurses in Israel lose pay fight

From Ian Murray, Jerusalem

Israel's 11,000 hospital nurses yesterday ended their 18-day-old strike, having failed to force the Government into negotiations on a new pay deal.

The strike was called off after an agreement was reached to discuss ways of improving working conditions so that young people would be attracted to the profession. But the deal specifically avoided any talk of improving pay.

The nurses had strongly denied government claims that they were among the best paid civil servants, receiving a take-home pay of about £500 a month. They said the true figure was nearer half that amount, even after a promised 12 per cent arbitration award was taken into consideration.

The Government had refused to talk about pay, saying that any increase to the nurses would break the national wage agreement on which the success of the country's economic austerity plan depended.

The nurses have nevertheless been promised a new trade union to protect their interests, in line with earlier demands.

Fuel crisis spreads in Australia

Sydney (Reuters) - The New South Wales government yesterday introduced strict petrol rationing as efforts continued to end a petrol strike threatening most of the country.

The strike by the Federated Storemen and Packers Union, which controls petrol distribution outlets, has already forced Victoria to ration petrol and South Australia may soon have to follow. The strikers are demanding improved retirement benefits.

The Federal Industrial Relations Minister, Mr Ralph Willis, warned in a radio interview yesterday that the Government, which has so far rejected opposition demands to force the strikers back to work, might intervene if the dispute is not resolved quickly.

However, the labour situation appeared to be improving slightly in other sectors. Dockers, who walked out for three days last week, have reached a settlement with employers over the retirement issue. Domestic airline pilots also dropped strike plans after reaching an agreement on Wednesday night.

The Oil Industry Industrial Secretariat yesterday said it might seek permission from the Arbitration Commission to lay off the striking workers.

Malaysian rulers free from prosecution

From M. G. J. Pillai, Kuala Lumpur

The Malaysian High Court has ruled that the King, the nine state rulers and their Crown Princes have absolute immunity against prosecution, in what is believed to be the first decision of its kind.

An appeal could still be made to the Supreme Court but Mr Justice Harun Hashim's decision confirmed the prevailing view that Malaysia's rulers and their immediate heirs could not be sued for their public and diverse acts.

The issue came before the courts when Mr Daeng Baha Ismail, a Malaysian businessman, decided to sue the King, Sultan Mahmood Iskandar, and his son, Tunku (Prince) Ibrahim Ismail, the Crown Prince of Johore, for alleged assault three years ago. Also named in the suit were two police officers and the Government of Malaysia.

There was consternation and astonishment when the writ was filed last month, but Tan Sri Abu Talib Osman, the

Attorney-General, for the King and his son, had their names struck from the suit when it was heard this week.

Sultan Mahmood Iskandar was elected Malaysia's King in 1984 by the nine rulers, who choose one of their number for the post every five years. In 1961 the King had been removed as Crown Prince of Johore, but was restored to that position 20 years later, becoming the Sultan when his father died shortly afterwards.

Mr Daeng Ismail alleges that this restoration was unconstitutional, since the King could not be in the direct line of succession once removed from it.

By the Johore Constitution in 1895 Britain provided that the sultanate should be held by direct male heirs of the first three rulers of modern Johore.

Should there not be a male heir, the throne could go to any Johore Malay commoner approved by the State Council.

Bishop trial acquittals

St George's, Grenada (Reuters) - Prosecutors yesterday rested their case in the Maurice Bishop murder trial, throughout which some charges have been dropped against two of the 18 defendants.

The defendants are accused of murdering the former Grenada Prime Minister and seven of his associates in a bloody coup which prompted the US-led invasion of the island in October 1983.

Chris Stroude and Cecil Prime were yesterday acquitted

of murdering three of Mr Bishop's associates.

The state has contended that the murder was planned at a meeting of the Central Committee of Mr Bishop's New Jewel Movement (NJM). Several of the accused were locked in a power struggle within the NJM.

Much of the testimony so far has come from defendants' statements, which they allege were made under torture.

The defendants are due to present their case today.

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With the University of California Redifusion is helping to create a computer based training scheme for anaesthetists. And many members of the medical profession depend on Argus medical publications for news of the latest advances in their fields.

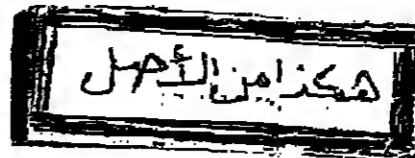
Services to hospitals are only a few of the ways in which, unobtrusively and

of sophisticated security systems.

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As distinctively different as they are distinctive.

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Tripods examination results at Cambridge University

The following Tripos examination results are announced from Cambridge University (quotes distinction.)

Archaeological and anthropological tripos, part I
Class 1: J P Bacon, Abery, S Reading, C J Barrett, G E B...
Class 2: C A Carruthers, R G...
Class 3: A H...
Class 4: A H...

Archaeological and anthropological tripos, part 2
Social Anthropology
Class 1: K J Gardner, S...
Class 2: M...
Class 3: M...
Class 4: M...

English tripos, part I
Class 1: K R...
Class 2: R...
Class 3: R...
Class 4: R...

English tripos, part 2
Class 1: R...
Class 2: R...
Class 3: R...
Class 4: R...

Physical Anthropology
Class 1: M N...
Class 2: M N...
Class 3: M N...
Class 4: M N...

Archaeology
Class 1: J P...
Class 2: J P...
Class 3: J P...
Class 4: J P...

Portman and Woodford and G...
Class 1: J P...
Class 2: J P...
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Class 4: J P...

English tripos, part 1
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English tripos, part 2
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English tripos, part 2
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S. Kiva Langley and F. R. ...
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Class 4: J P...

English tripos, part 1
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English tripos, part 1
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English tripos, part 2
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Physical Anthropology
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Class 3: M N...
Class 4: M N...

Archaeology
Class 1: J P...
Class 2: J P...
Class 3: J P...
Class 4: J P...

Class 5 division 1: H E A...
Class 6 division 1: H E A...
Class 7 division 1: H E A...
Class 8 division 1: H E A...

English tripos, part 1
Class 1: K R...
Class 2: R...
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Class 4: R...

English tripos, part 2
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Physical Anthropology
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Class 3: M N...
Class 4: M N...

Archaeology
Class 1: J P...
Class 2: J P...
Class 3: J P...
Class 4: J P...

Class 9 division 1: H E A...
Class 10 division 1: H E A...
Class 11 division 1: H E A...
Class 12 division 1: H E A...

English tripos, part 1
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Class 2: R...
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English tripos, part 2
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Physical Anthropology
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Class 2: M N...
Class 3: M N...
Class 4: M N...

Archaeology
Class 1: J P...
Class 2: J P...
Class 3: J P...
Class 4: J P...

Personal Loan advertisement. Includes text: 'Imagine walking into a showroom knowing you could borrow up to £10,000 to spend on a car, new or second-hand. With a Royal Bank of Scotland Car Loan you could be doing it tomorrow.' and 'IF YOU'D LIKE IT SOONER RATHER THAN LATER, IT ALL POINTS TO US.' The Royal Bank of Scotland logo and name are prominent.

Oxford class lists advertisement. Includes text: 'The following Oxford Class Lists are announced: Natural Science: Physics Class 1: R E Abbott, D C...'. It features a large graphic of a boat and includes a coupon for more information: 'Please send me more information about your Personal Loans. I am over 18. NAME: ADDRESS: POSTCODE: BRANCH:'. The Royal Bank of Scotland logo and name are at the bottom.

مكنا من الثمن

THE CAR



THE NEW ROVER 800 SERIES

Purity of form, consummate luxury, classic beauty.

Computerised electronics hand in hand with some of the world's most sophisticated automotive engineering. And a remarkable balance between smoothness of ride and quite awesome power.

The new Rover 800 Series.

Britain's new four-model range of luxury cars. All four models have been designed and built to meet the most exacting demands of today's businessmen.

At the top of the range, the Rover Sterling. The height of luxury, the very best of taste. Every need and fancy predicted and catered for.

The Rover 825i. Grace and elegance harnessed to full-

blooded power. The potent 2.5 litre, V6 fuel-injected engine and its 24 valves will have you nudging the speed limit in a little over seven seconds* from standstill.

The 820i and 820Si. The energy-conscious luxury cars. The 2 litre, 16 valve, fuel-injected engine delivers exhilarating performance that is matched only by its miserly fuel-consumption.

In the coming weeks we'll be giving you all the facts and all the figures about the cars. Until then, let us leave you with this one thought. The Rover 800 rides like no other luxury saloon you have ever driven.

So may we suggest you take a test drive.

And experience automotive engineering in a finer form.

ENGINEERING IN



A FINER FORM

CAR SHOWN - ROVER STERLING RANGE ALSO INCLUDES ROVER 804, 806, AND 825. MANUFACTURER'S DATA (ROVER 825: MANUAL 0-60 MPH IN 7.8 SECONDS; DOT FIGURES: ROVER 804 AND 806: URBAN CYCLE 36.8 MPG/103.1 L PER 101 KAL; 56 MPH 42.4 L/100, 75 MPH 34.3 L/100. FOR FURTHER INFORMATION SEE POSTAL PAGE NUMBER 307 422. NATIONWIDE CAR RENTAL RESERVATIONS THROUGH BRITISH CAR RENTAL, TEL. (0303) 77223. TAX FREE SALES INFORMATION: 021 475 2101 EXT. 229.



SPECTRUM

So what is the game in Edinburgh?

A boycott by two African countries and more may follow. Or will they? Alan Franks found Edinburgh's Commonwealth Gamesmen in an oddly unruffled state with 13 days to go

This morning at the 1986 Commonwealth Games headquarters in Edinburgh's Canning Street, the countdown calendar on the wall reads "13 days to go". This also happens to be the thirteenth convention in the mainly harmonious life of the Games, and the number is living up to its reputation for ill fortune.

Once dubbed the "friendly games", they have now become engulfed in the wider confrontations over South African sanctions, and are in danger of losing whatever might have been left of their political innocence.

Yet, extraordinarily, the reported boycott of the games by two African nations is not being taken entirely seriously in Edinburgh at the moment. Nigeria's and Ghana's respective team entries of 79 and 33 still stand in the computer system at the Games village, and the accommodation for the athletes and officials has not been reallocated.

The reason is that the sports councils of the two countries had not, as of yesterday, made any official declaration of withdrawal from their opposite numbers in Edinburgh.

were putting a remarkably bullish gloss on the present crisis.

Bryan Cowgill, deputy executive chairman of the games committee - and former head of BBC Television Sport - emphasizes that even if diplomatic attempts at rapprochement fail, the Games will still boast more than 3,000 competitors, which would be 1,000 more than in Brisbane four years ago.

Including Nigeria and Ghana, 58 Commonwealth countries are scheduled to take part, England being the most numerous, with 299 athletes, and only five member countries (Si Helena, the Solomon Islands, the Turks and Caicos Islands, Tuvalu and Tonga) will be unrepresented.

Yesterday morning, Borthwick was busy dashing off letters to his three main channels of alliance - the Commonwealth Games Federation, the Commonwealth Games Council for Scotland and the Secretary of State for Scotland - in the hope that they will be able to intervene in the boycott debate.

THERE are three great ironies here for the host city. First, Borthwick and his colleagues made precisely the same approaches in order to object to the recent tours of South Africa by the All Blacks and British Rugby Union parties.

Second, Scotland in general, and Edinburgh in particular, regard themselves as highly reciprocal parts of the Commonwealth, having educated many visiting African students in theology and the law.

Third, Borthwick himself was among Commonwealth delegates at a meeting in February in Nairobi to discuss plans for the Games - an occasion which he left with "a tremendous sense of happy anticipation by all the other



Trail blazer: Games committee chairman Ken Borthwick - recently out of Africa, currently full of hope

countries... no hint whatsoever of boycotting, or anything like that.

While in Africa, he toured Malawi, Zambia, Zimbabwe and Kenya, speaking to government ministers. He considered it, showing evident restraint, to be "odd" that Scotland should now be suffering from a political problem which emanates from Westminster. The atmosphere in Edinburgh at present has shades of that in Mexico City during the run-up to the World Cup - major international venues with experience of organizing a competition in 1970, and now attempting, against the run of economic play, to repeat those successes.

Just like the ground at Monterey before England started their World Cup matches, Meadowbank Stadium looks like the aftermath of Culloden. There is turmoil from parts of the field with staff working around the clock to make the premises ready for sporting guests bent on high achievement.

While the world wrangles over the rights and wrongs of competing in Edinburgh, the city itself has had its own political difficulties. Last year the endemically conservative establishment found itself in such conflict with the new left-wing council that Borthwick was reported to have said he would be glad to see the games go to Glasgow. A heresy if ever there was one.

Back at the Games' administrative centre in Canning Street, Bryan Cowgill seems like a rather weary elder statesman of sports administration. "Nothing would surprise me", he says. "Not any more; not after what I have seen in the past 15 years. Sport is at the centre stage of one of life's great theatres."

"It would be very sad, very disappointing if Nigeria and Ghana do finally pull out. Yes, of course we fear that if this happens, other African countries might follow. But I would point out, again, that even if that does happen, there will still be a huge presence here. The sad thing is that this event was conceived as a completely non-political thing."

Meanwhile, the press officer freshly installed at Canning Street, a ginger-haired giant called Ken Laird, is on the telephone to Robert Maxwell - or "RM" - awaiting a statement on the latest state of play.

LAIRD says: "The thing is that it all seems to develop as the day progresses. At the moment he says that he will say something on Friday, but I suppose there could be something before that. I really don't know."



Nothing would surprise me after what I've seen in the past 15 years. Sport is at the centre stage of one of life's great theatres

BRYAN COWGILL (above)

In yesterday's edition of the Glasgow Daily Record, Maxwell, chairman of the Commonwealth Games Company, wrote a front page article headlined "Why the Games Will Survive". No purpose would be served by the boycott, he argued. It would be a protest against Mrs Thatcher's refusal of sanctions on South Africa. "But these are not Mrs Thatcher's games. They are the games of more than 40 nations, bound together only by history and friendship."

It is Borthwick who has borne the brunt of criticism over the administration of the games. One of the most strident charges has been that he sold exclusive television rights to the BBC for less than £500,000, whereas the coverage could have been expected to raise six times that figure. Another is that he severely undersold the advertising space around the main arena of Meadowbank.

Last year, Alex Wood, Edinburgh's Labour council leader, said that the authority would be prepared to underwrite a loss on the Games of up to £250,000. Both he and Borthwick, and for that matter Maxwell, are hoping that it will not come to that, even though they are approaching the matter from entirely different positions.

A fresh face for Florence

Rooms with a view are a little easier to find in Florence this year. The narrow streets and grand piazzas still echo to the tramp of tourists' feet but the accents are mainly German, Japanese or very English.

The temporary loss of the American tourist trade is particularly irksome to Florentines because 1986 had been designated as their "Year of Culture". But although the core of this Tuscan metropolis is unchangeable because almost every building is an artistic treasure, its inhabitants are determined that the city will not lack modern amenities.

Over the next 15 years, a futuristic annex is planned in the suburbs of Castello and Sesto, a \$25 million scheme which will include exhibition and conference halls, three hotels and housing for more than 25,000 people.

One of the prime supporters of the scheme is La Fondiaria, one of the top three Italian insurance companies. As one of the city's largest landowners - sizeable slices of Piazza Repubblica and many other historic buildings come under its domain - it is required by law to invest part of the money accrued from rent in new buildings.

The rents are also restricted by law and the ancient buildings are not to be razed, so La Fondiaria plans to sell off many of them to finance development - a move which will help the company politically as well as financially.

Signor Michele Ventura, the communist vice-mayor of Florence, is equally keen on the project. "Everything of worth that has been built here is very old", he says. "Now we have a chance to build something new that the city desperately needs, and we must make certain it is of the highest quality so that it will be a worthy representation of our age."

But the conservationists are being headed as well. Already £5.8 million has been set aside for planting trees on the new site so that any new scars will be camouflaged, at least in part.

Richard Evans

Partial view of a magazine page, showing the top of a large advertisement with the word 'The' visible at the top.

Advertisement for 'SATURDAY Portfolio Gold' with a prize of £12,000 to be won. It features a photograph of Woody Allen and text promoting his film 'Starry, Starry Night'.

A crossword puzzle titled 'CONCISE CROSSWORD NO 999' with clues and a grid. It includes a 'SOLUTION TO NO 998' at the bottom.

Paul Vallely joins Monsignor Bruce Kent, who leaves Keswick today on the tenth leg of his walk for peace

Walking the warhead road

With a look of benign resignation, Monsignor Bruce Kent stood on the stage of Motherwell Civic Centre and looked down upon his audience. To the left a septuagenarian Clydeside communist was waving his walking stick and shouting "Step outside!" His intended victim, a balding moustachioed man in a denim jacket, was declaiming "I'm a Catholic and a Conservative and I'm proud of it. What about the persecution of Christians in Russia?"

Just past the first roundabout, two bedraggled figures emerged from a hedge. It was the deacon and the earnest young man from the night before, now wearing T-shirts which ambiguously exhorted us to "Remember Hungary". All that day they were in front of Bruce Kent's party. They carried a placard which read: "CND marching to surrender".



The long march: superwalker Bruce Kent sets a furious pace

He also has an admirable humility about his own spiritual development. "I was very much a Saul in those days, my main aim was to make more Catholics", he said of his early years as a priest, before involvement with the peace movement widened his ecumenism and openness to other Christians.

He also has an admirable humility about his own spiritual development. "I was very much a Saul in those days, my main aim was to make more Catholics", he said of his early years as a priest, before involvement with the peace movement widened his ecumenism and openness to other Christians.

Such decisions did not ap-

Partial view of a magazine page, showing the bottom of a large advertisement with the word 'HI' visible.

The sword at America's bedside



Where death lies dormant: the cavernous Fort Washington shelter, from which Juan Gonzalez (inset) set out on a ferry ride to catastrophe. How many more like him?

Murder on the Staten Island ferry. Two dead. Just another American nightmare? Not really. Marjorie Wallace, author of The Times' award-winning series on schizophrenia, reveals how potential killers are being sent out onto the streets and into harm's way



The forgotten illness

The ferry from Manhattan to Staten Island was passing the newly refurbished Statue of Liberty last Monday when panic broke out among the 500 passengers. Juan Gonzalez, a 43-year-old Cuban immigrant, was rushing round the decks brandishing a 24-inch pearl-handled sword. Within moments he killed a man and a woman and wounded nine other people. He is one of the 7,500 homeless people, many of them mentally ill, who spend their nights in New York shelters. An even larger number, frightened by the desperate conditions, prefer to sleep rough in the port authority bus station on 42nd Street. Gonzalez chose as his bedroom the Fort Washington shelter, an enormous drill hall in Harlem, which he shared with 900 other down-and-outs. The hundreds of iron cots are arranged in neat rows, like a first-aid post after some great disaster. The dim lights are on all night. There is the continual noise of human torment - screams, moans and shouting to imaginary voices. Around the edge of this great raft of beds, red-uniformed attendants stand ready to sort out the arguments and fights which break out occasionally. The Thursday before the boat killings, Gonzalez had been the centre of a disturbance. Attendants called the police when he started screaming: "I'm going to kill. God told me to". The Presbyterian Hospital held him for 48 hours.

recognized his symptoms as paranoid schizophrenia, and discharged him back on the street on Saturday night, suggesting he should seek out-patient treatment at Harlem Hospital. In New York, as in Britain, hospital policy is to discharge mentally-ill patients as quickly as possible. "It was a terrible mistake", admitted a psychiatrist at the Presbyterian Hospital. On Monday, instead of visiting Harlem Hospital, Gonzalez, who, like many others, was probably too ill to realize he needed treatment, took out his sword and bought a ticket to Staten Island. He is now in King's County hospital, New York, undergoing a 30-day "evaluation". The case is typical of thousands, except that very few schizophrenia sufferers are violent, merely sad. In the United States, as in Britain, pressure from well-meaning civil liberties campaigners has brought about the run-down or closure of mental hospitals before means of looking after the patients in the community have been provided. Some years ago there were 550,000 beds in American mental hospitals to cater for two million schizophrenia sufferers. Now there are only 130,000. Sick people are being abandoned on the streets. Their presence - hundreds of thousands of them, hungry, dirty, deluded - haunts New York and the other big American cities. The scandal is so great that the mothers of this human flotam are no longer willing to see their sons and daughters made victims of neglect. Their only choice is to keep their severely ill grown-up son or daughter at home, receiving no

help, or to lie awake at night thinking of their child sleeping in a mass night shelter or worse. They have now become so desperate that they are forming groups for political action. The National Alliance for the Mentally Ill has increased the membership of its 500 affiliates by 85 per cent in the past year. "The families are angry and unwilling to remain passive", says Dr Fuller Torrey, a specialist in the management of schizophrenia. "They are going to lobby, protest

and fight for help for those whose minds have been damaged." One of the first of these protests took place a few weeks ago at the World Trade Centre in Manhattan. A group of 100 people, mostly women and dwarfed between the complex's twin towers, waved crude home-made banners and placards, and collected signatures for a letter of protest to Governor Cuomo of New York State. "We made history", said their organizer, Isabelle Blau. "This is

the first time there has been a protest in New York on behalf of the mentally ill." She is a brave woman, divorced and working as a shop-assistant in Gimbal's, a department store in Manhattan. Her large, sad eyes betray the years of anguish as she watched first one, then a second son destroyed by schizophrenia. The elder boy, now 38, went to Israel hoping that work on a kibbutz would cure him. He has been in mental hospitals for years and his mother spends her three-week holiday each year visiting him. Her second son, ill for nine years, is closer at hand. He spent years in hospital, then discharged himself. "The hospitals never look for them if they run away", says Isabelle. Frustrated by her experiences, she decided on "stronger action". The parents are no polite", she says. Typing on her old portable, she sent letters to other parents. Soon there was a core of would-be militants. Two of her aides are Rita Kwiecinski and Rose Lange, ordinary, working-class women prepared to fight hard for their mentally-ill children. They seem hardly the stuff of which great revolutions are made, but they are determined. "Governor Cuomo will hear more from us", they say.

So will many other politicians, for another centre of direct action over schizophrenia is in Capitol Hill itself. The wives of six Congressmen, some of them mothers of schizophrenics, have joined together to lobby for a better deal for the mentally ill. "Every time you look at a tramp or bum, you think that this guy had a mother", says Norma Lagomarsino whose husband, Robert, is a Representa-



From the heart: protesting parents Isabelle Blau, left, and Rose Lange

Wrong equal rights

FIRST PERSON

Gail Penney

If a decision taken recently at Exeter University were reflected in the world of sport, the World Cup might have concluded with all participating teams in order of size of the countries represented, receiving a small trophy. At Wimbledon the final ceremony could have consisted of all players receiving congratulations, lined up in order of height. The outcome of matches need not have been reported, although interested parties might have been free to make discreet inquiries. That way, invidious comparisons between winners and losers could be avoided. Next week, Exeter University will, within departments, graduate its students in alphabetical order, and at the graduation ceremony their class of degree will not be indicated. Such classification has in the past produced a livelier round of applause, as those awarded Firsts have gone forward to receive their degrees from the Chancellor, than for those at the end of a large department, awarded Thirds or Pass degrees.

It seems that the Guild of Students, in consultation with sympathetic academics, has proposed the new procedure. Individual results will be known within departments or among friends. But from the point of view of parents, and the wider community represented at the ceremony, such distinctions are apparently to be deliberately obscured. Everyone knows that there is no justice in the academic world. Some students are more effortlessly brilliant; some have predicted questions more successfully than others; some have hay-fever, broken homes, unhappy love affairs. Some have worked strenuously, with disappointing results. But neither is there necessarily justice in sporting contests. Decisions of referees may be open to dispute; athletes have off-days; conditions favour one rather than another. This is accepted; has it ever been seriously suggested that it might be fairer if the score were not to be reported? The change of practice at Exeter was passed through all the appropriate committees and decision-making bodies, whose papers are doubtless readily available. It is possible, however, that many academics, who may have other reading priorities, are unaware of the innovation and hence of its symbolic significance. Who will value academic excellence if the universities do not?

A fresh face for Florence... Rooms with a view... would me I've past sport entre ne of eat 99

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T HEALS SALE

HEALS SALE. Up to 20% off Michael Tyler Furniture. 17 1/2% off Hulsta Fitted Bedroom and Living Room Furniture. 15% off Cloë Black Leather Sofas. 10% off all Broadloom Carpets. Up to 15% off Roset Upholstery and Fitted Furniture. Up to 20% off many ranges of Dining Room and Bedroom Furniture. As well as great savings on samples, end of range goods, shop soiled and slightly damaged merchandise. 25% off a wide selection of Table Lamps. Up to 30% off Garden Furniture. 30% off Seconds Thomas Trend White Tableware. 30% off Dartington Glass Seconds. INTEREST FREE CREDIT AVAILABLE. Subject to status - minimum loan value £500. Ask for written details at our stores (Licensed Credit Brokers). All offers subject to availability. NOW ON

A furious calm. MEDICAL BRIEFING. About 10 years ago the chief executive of one of Britain's leading financial institutions leapt from his seat at the boardroom table and punched one of his colleagues on the jaw with great ferocity. Despite these occasional ill effects the benzodiazepine group remains very useful in medicine and has a therapeutic role well beyond sedation or tranquillization. Thousands of epileptics owe their lives and the preservation of their intellect to the drug. Patients regularly given too high a dose may show excessive sedation, impaired motor performance, problems in balance and speech, double vision, poor memory and concentration. It is always difficult to decide whether a tense, anxious patient is addicted to the drug or to the relief of tension which it brings. Can a lie detector tell lies? The lie detector operates on the principle that an anxious person sweats imperceptibly when he or she tells a lie and this alters the conduction of electricity across the skin - the galvanic skin response. Its efficiency depends on the liar worrying about the lies. It does not work with somebody without conscience or a skilled liar. A report published in Hospital Doctor reviews work in this field by Dr John Beary of Georgetown University. He looked at 880 records which show that although the polygraph, as the lie detector is called, measures various physiological responses, including heart rate, blood pressure, respiration rate and the galvanic skin response while the patient is being questioned, the results are little better, in Dr Beary's view, than can be achieved by tossing a coin. The polygraph is 76 per cent sensitive and 60 per cent specific; in other words, the equipment which generated the results in this study was producing a 40 per cent false positive rate - which means that a lot of people could be wrongly labelled as lying. Dr Thomas Stuttford. Medical Briefing (June 20) mentioned research into passive smoking published in the July issue of the British Journal of Cancer. The research, carried out in collaboration with the Institute of Cancer Research, was funded by the Tobacco Research Council (now Tobacco Advisory Council).

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THE TIMES DIARY

Claiming a stake

Jaunty genealogist Hugh Peskett of Winchester returned yesterday from a month-long mission to America with The Great Billion Dollar Humphreys. His question nearer an answer. Pelham Humphreys, a Texan rancher, died in 1840 after a saloon bar shoot-out with no heirs — and the mystery of who should inherit remains unsolved to this day. It's more than academic interest since oil was found on his land early this century and royalties to date total around \$2 billion. Claims to the estate have been made by several of the Humphreys Heir Association called in Peskett to trace other possible claimants. Yesterday, Peskett told me he had traced at least 1,000 people with a good chance of winning a share and had "found a chink in the armour" of the oil giant Chevron, which claims to own all rights to the land. Anomalies in the original land deeds, he said, could undermine Chevron's case. The thousand Humphreys now appear beamed enough to take on Chevron in the courts using lawyers tempted by a share of the fortune if they are successful.

On a visit to the Duchy of Cornwall last month Prince Charles was just about to start dinner when the fire alarms went off. A search quickly revealed the cause — a Bodmin detective constable puffing his pipe beneath a smoke detector.

Expurgated

Buckingham Palace tells me that the psalm to be sung at the royal wedding later this month is Zion, the City of God. On the face of it, the news contradicts my story last month that, fearful of offending the Arab world, Prince Andrew and Sarah Ferguson had requested a psalm which made no mention of Israel. Further inquiries, however, reveal that only two verses will be sung — neither containing the words Zion, Israel or anything remotely contentious. What's more, the Archbishop of Canterbury, conducting the service, could choose to announce the psalm by its number, 48, instead of its title. I shall be listening carefully on the day.

The latest *Punch* carries a two-page ad for the Malaysian national airline. "We'll treat you like gold," it says. And pay close attention to your luggage, no doubt.

Busting out

Ambling round the Henley arts festival yesterday I was surprised to see the bronze Greek statues moving. Hadn't I seen something similar recently at the CIA in the Mall, where four men were sprayed in purple and grey paint, hung on a wall and called "living paintings"? Mark Eynon, Henley's artistic director, was quick to rebut any suggestion of stealing the idea: "Jean Cocteau painted his actors in the film *Beauty and the Beast* in the Forties." Apparently it all goes back to Louis XVI, who used to dress young boys as cherubs and paint them gold. And there was I thinking I had spotted whodunnit in *The Draughtsman's Contract*.



Most of the Lower Third could tell him, unfortunately...

Spot of bother

Lord Hailsham's dog, Spot, has disgraced himself. At a weekend bash to celebrate Lord Denham's 25 years as whip, held at Dorney Wood, one of the Foreign Secretary's official residences, Spot relieved himself over Lord Whitelaw's red dispatch box. I understand that while Lord Hailsham had no intention of letting the misfortune spoil his party, the leader of the House took a considerable time before seeing the funny side.

With the world awash with oil, BR offered the latest possible excuse the other day for terminating the 7 pm Kings Cross-Newcastle service at Leeds: "Not enough fuel"

Water sport

It seems the first law of journalism these days is, if at all possible, to get Richard Branson's name into every story. So here's mine. Some time ago, West Dorset Tory MP Jim Spicer told Colin Moynihan, the organizer of next week's MP's regatta, that he would be willing to water-ski down the Thames on the big day if a suitable wetsuit and power-boat were provided. Yesterday Moynihan came up with the goods. And so on Wednesday the 60-year-old Spicer, who has not ski'd for 20 years, will race from Lambeth Bridge to Westminster, pulled by Atlantic Challenger... alongside the Virgin magnate himself. PHS

Radiating a false picture

by George Schöpflin

The Soviet Union under Mikhail Gorbachov is working hard at showing an image of reasonableness to the West. All the marks of modernity are wheeled out in the presentation of what the Soviet Union does, and there is more than a hint that the Gorbachov style is intended to be understood as proof of the existence of a Westernized elite with which the West can deal. This hides the persistence of a degree of coarseness and brutality in the Soviet Union that no Western country can accept as reasonable.

Vivid evidence of this comes in a documentary, *The Nuclear Gulag*, to be shown on Channel 4 on Saturday. It shows pictures, some taken from Soviet television, some shot clandestinely at considerable risk, of the gulags as it is today. The image is not a pretty one. The unofficially shot film and the interviews with relatively recent survivors of the Soviet prison regime are both persuasive in shedding light on unknown aspects of the story.

The most remarkable part of the documentary deals with a highly sensitive and secret topic — uranium mining by prison labour. The Soviet system uses prisoners to mine uranium partly as a

deferred death sentence and partly because it is cheap. The human cost is not regarded as a cost. According to the evidence of a Protestant pastor, who has spent 18 months at two such mines, uranium mining is carried out with no regard to safety provision. There is no machinery to extract toxic gases and dust and no special clothing is provided.

The death rate is high. So is the suicide rate — many prisoners preferring suicide to slow radiation poisoning. Medical support is worse than useless. There is tentative evidence that instead of offering treatment, some medical personnel regard the prisoners as guinea pigs and observe the progress of radiation sickness instead.

The upshot is that the gulag is hardly changed from the death camps set up half a century ago. Brutality and appalling conditions are the norm. The guards appear to have an informal licence to kill prisoners. The prisoners are treated, as they have been for decades, merely as economic units from whom the maximum

amount of work is to be extracted and are then to be discarded.

The cynicism of the system is reflected in the way that regulations are applied. Failure to meet a heavy work quota, often in appalling conditions, such as having to dig soil frozen three feet deep with a spade, results in solitary confinement and starvation rations. This further undermines the prisoner's constitution and is, for all practical purposes, a death sentence. It is next to impossible to escape this vicious circle.

The punishment cells at Vladimir prison, east of Moscow, are specifically designed to break prisoners physically. They are too small to allow a man to lie down and are deliberately overheated or kept frozen. One former inmate describes how he was kept in such a cell for 15 days at 5 degrees C. after his warm clothing had been taken away. He shivered for the entire time he was there and afterwards had a stroke.

The medical staff are as much a part of the system as the guards. One doctor, to whom a prisoner appealed for help, declared, "First I am a Chekist, a KGB agent and

then I am a doctor". Brutality is not a monopoly of the guards. Some prisoners, common criminals, are permitted to kill political opponents who come to be regarded as "awkward".

The documentary also produces evidence that the total number of executions in the Soviet Union is far higher than the official figure of about 30 a year. The real figure, calculated on the basis of confidential information from Soviet district courts and appeal courts, is between 865 and 895. Gorbachov's campaign against "speculators", who can face the death penalty, could well raise this to an even higher level.

There is something to be said for the argument that any society can be judged by how it treats its prisoners. The emphasis is not on spectacular achievements but on the dark side, where state control is complete. The individual imprisoned is entirely at the mercy of the system, and the system is allowed its fullest expression. By this yardstick, the Soviet Union has a long way to go before it can be seriously regarded as Westernised.

The author lectures in Community politics at the London School of Economics.

F.A. Mann puts the case against a combined legal profession

Brief for a separate Bar

By courtesy of Punch



THE LAST SELL

"Oh sir, please sir, is this Chancery Lane?" "It is." "Ah! I knowed it was!" "Then why did you ask?" "Cos I wanted to have counsel's opinion!"

of appeal for the Paris region alone are supposed to deal with no fewer than 36,000 appeals a year. The Cour de Cassation, France's highest tribunal, has 18,000 appeals a year. In England the Court of Appeal, Civil Division, has about 1,500, though the Criminal Division has about 8,000, and the House of Lords hears around 80 cases a year. In the United States judges have "clerks", i.e. assistants who prepare and frequently write judgments which their masters often merely adopt and which a qualified observer can easily recognize as the work of a beginner.

The wholly different English conditions are due to many reasons, expense being a regrettable, but by no means principal one. The principal one is the process of sifting upon which a highly experienced Bar embarks, upon which much of its reputation depends and which keeps litigation within moderate bounds. There is no such attitude as the Continental lawyer's advice: "Let us issue a writ and see what happens. The court will tell us." Consequently the Continental judge sits once or twice a week in court and during the remaining time studies papers, researches the law, confers with his colleagues and writes judgments. The English judge sits every day and writes judgments in his so-called spare time. They are his personal responsibility and it is his name which becomes history. It is not the anonymity of the 13th Chamber of the District Court in Hamburg, or the 25th Chamber of the Court of Appeal in Paris, which protects his errors, misunderstandings or failings.

It is against this background

that any proposal to change the legal profession must be viewed. Can the system be maintained if solicitors acquire the right of audience in higher courts? If not, what is going to take its place? And will it provide quicker and less expensive, but equally efficient and impartial justice?

The present system is unlikely to continue if solicitors obtain the right of audience in higher courts. The number of solicitors at present who are able to submit and argue a case, to expose the facts and examine and cross-examine witnesses is a tiny proportion of the total of almost 50,000 in practice. So the solicitor's right of audience will lead to a multiplicity of judges. The judges will have to do their own research and there will not be that sifting process which long and varied experience, specialist knowledge, familiarity with prevailing practices, judicial reactions and personalities provide.

That will lead to the American or Continental systems — in particular to interrupted hearings and a larger number of appeals — and in all probability to largely written proceedings, because the advocate-solicitor, whose experience is necessarily limited, simply cannot afford the time to sit in court for long and will rarely be able or willing to deal with the facts and the law. No "litigation solicitor" can do all the preparatory work and be regularly in court. He needs the help which the barrister now receives from the solicitor. But look at the Law Reports and ask yourself how many will be able to present and argue the cases there reported. If the reforming solicitors reply that in these cases they would employ members of a residual Bar (if it survived) they overlook the problem of how the latter could, under a different system, acquire the peculiar qualifications which barristers possess at present. They must be given the opportunity of starting with the simple case and progressing over a period of years. But if the simple cases are done by solicitor-advocates, where can barristers learn?

This is not to say that countries with a different legal system do not achieve a wholly satisfactory standard of justice. Nor is it to say that it would not be possible to devise a different system in England which would work satisfactorily. Nor should one carelessly consider reforms *a priori* excluded, though it would be ironic if we adopted the largely written American procedure at the very time when many American lawyers are becoming aware of the disadvantages of their procedure and the attractions of the English one.

The point of these remarks is that you cannot to any substantial extent tinker with the present legal system without jeopardizing it, and that if you wish to introduce fusion or something approaching it you must start by remodelling the present legal system as a whole, adapting it to conditions which would be fundamentally different from those at present.

The author is a solicitor in the City of London and a fellow of the British Academy.

Graham Mather Wanted: social signallers

Ministers are rightly concerned about a public tendency to take their achievements for granted. Conservative economic may have spread to socialist France, Australia and throughout the OECD, but clear new selling points must be identified in social policy areas broadly untouched since 1979.

Sadly, little attention has been devoted to the outcome of ideas. There has been minimal analysis even of the two chief and unexpected successes of Thatcherite policy innovation: privatization and legal reform of the trades unions.

Nationalized industries, in the 1979 scheme of things, underperformed because they were badly managed and were subject to government interference. Left at arm's length, their managers would be able to manage and all would be well. It took two years of increasing losses and subsidization before the potential of privatization as a revenue raiser, a check on unquantifiable future public spending and, ultimately, as a route to wider individual ownership, was fully appreciated.

Equally for two years, James Prior, as Employment Secretary, strove to confine trades union law reform to the modest picketing code of practice and slight refinement of the scope of secondary picketing contained in his Act of 1980. Only an unprecedented alliance of the Prime Minister, employers, policy organizations, backbenchers and peers led ultimately to the critical change — the reintegration of trades unions within the ordinary law.

There were plenty of other options. The managerial approach originally favoured for nationalized industries has subsequently been followed in the National Health Service. It has proved that a resource allocation working party can be no substitute for the individual consumer choice.

The managerial approach has been tried, too, in the unemployment benefit system, where a Rayner review suggested that it would be more cost effective not to require benefit claimants to register for work. The mistake undoubtedly added tens of thousands to the unemployment figure; it is now being expensively unscrambled.

The very modest achievements of Rayner across central government, and the current difficulties of the managerial approach in the NHS, reveal the limitations of approaches based on the more efficient administration of socialized systems.

The two Thatcher successes were precisely because they cut free from administrative tinkering to refashion the structures of choice and ownership. They followed a simple political equation: signals + interests + machinery = policy success.

It seems obvious to suggest that reforming policies will not grip if the signals seen by voters suggest that there is no problem which

necessitates reform, or that increased state diversion and re-allocation of resources is the only solution.

If signals tell voters that, for example, it pays to vote for high-spending local councils because business and a handful of rate-payers will pick up the bill, a surprisingly large number of voters will vote for high-spending and "free" services. Mrs Thatcher has picked up that challenge by broadening the base of those who perceive signals of excessive spending and whose interests tell them to do something about it, through the proposed community charge.

As for interests, it is a Tory mistake to assume that an appeal to individual interests will generate a socialistic response, and that only in the name of austerity will policies that abjure prodigal public spending prevail. The unexpected lesson of privatization and trades union reform is that Mrs Thatcher needs to build a base of new real interests in support of social policy solutions, to replicate the new interests on which her economic policy achievements have been built. They would replace a notional, generalized stake in systems founded on doubtful accounting, retrospective financing, and invisible and incomprehensible redistribution of incomes, kept in some sort of spending check by arbitrary and politically damaging cash limits.

But it is clear that in the present health, welfare and education systems, the perceived signals and interests of millions of voters say, vote against Mrs Thatcher.

Privatization relied heavily on the contribution of outside think tanks and the work of special advisers in the Treasury, itself a department unusually well equipped with officials capable of being redeployed to major, cross-department policy innovation. Trades union reform had to be "privatized" to the extent that the Department of Employment played scarcely a part in the development of policy which led to the 1982 Employment Act.

Today the policy support systems available to ministers are desperately weak. The Central Policy Review Staff has been disbanded. Special advisers are few in number and tied to the transitory appointments of individual ministers. Labour, Liberals and SDP are all setting up ministerial cabinets to speed implementation of new policy should they be in power.

The scale of the social policy problems facing Mrs Thatcher are large enough to make it highly unlikely that solutions can emerge by chance, accident or good fortune. By refashioning the signals received by voters and tying their legitimate interests and expectations to an effective mechanism that would deliver the answers, the successes of 1979-83 could be repeated.

The author is head of the policy unit, Institute of Directors.

Henry Stanhope

Namesmanship for beginners

An American academic, writing in the *New York Times* the other day, complained about being called "Jill". It was her name all right, but what riled her was that the junior bank clerk who used it had not previously known her from Adam — or, in her case, Eve.

The lady should try living over here. In the US they might use first names more often, but at least they do so easily, as if they mean it. "Hiya, er, Henry," says the president of Ford or Lockheed, or Kentucky Fried Chicken, advancing like a friendly bear with outstretched paw. "Hiya, er, Jim."

In Britain, first names are all part of the class structure, like accents and schools. A delegate at the annual conference of the TUC could even score a point or two by referring to the general secretary as "Norman". But not so a member of the House of Laity who, in the middle of the General Synod, called the Archbishop of Canterbury "Bob".

An elderly aunt, addressed by her first name recently by a new young doctor less than half her age, snapped back in true Lady Bracknell style: "And where does this 'Dorothy' come from, pray?" The hapless medic, missing the point, picked up her card. "From here," he said brightly. "On your card, it's your name."

He was, might one argue, just trying to be nice. Not a bit of it. He was establishing — or trying to — an updated version of the master-servant relationship between, say, Bertie Wooster who was called "sir", and Jeeves, who was always called "Jeeves". If he had said: "My name's Keith", he might have been excused. But he would no more have dreamed of doing that than the Master in *Upstairs Downstairs* would have considered joining his butler Hudson for a pint in the local pub. The doctor expected to be called "Doctor".

The point about using someone's first name is that it should at least be mutual. You might not particularly like being called "Fred" by someone who until five minutes before was a total stranger, but at least, if he says "I'm Arthur" you can feel equal terms. Nurses can just about get away with it, because although they often tend now to use first

names, they don't mind patients doing the same. (A patient lying in bed, muffled in bandages like a *Punch* cartoon, is hardly in a position to complain anyway.) Still less able to protest is the young subaltern who is addressed as "Simon" or whatever by the general. This is not an invitation to be on intimate terms with the divisional commander. It's merely the top man's way of showing friendship to the lower orders. The Army has to some extent got round this by referring to senior officers in the third person, any officer with a friendly bear with outstretched paw. "Hiya, er, Jim."

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Confronting the cure to drug addiction

Britain's most currently celebrated drug addict, Boy George O'Dowd, now reportedly languishes in Britain's most currently celebrated drug clinic, St Andrew's Private Hospital in Northampton, might care to ponder the words of Dr Maurice Lipsedge, consultant psychiatrist in the department of Psychological Medicine at Guy's Hospital.

"You cannot cure a drug addict with another drug", Lipsedge says. "Addicts are best helped by confrontation, by being encouraged to face reality and by having their self-deception challenged. The answer to the problem lies ultimately in the personality of the addict."

Lipsedge has written the foreword to a book about addiction and its cure by an American psychologist, Jim Ditzler, and his wife Joyce, who run a private

drugs clinic in Surrey. The Ditzlers promote a treatment which is itself drug-free. Their programme emphasizes counselling and psychotherapy, and tries to make the addict face the consequences of his addiction, with the help of his family and former addicts.

"Far too many NHS clinics still prescribe substitute drugs to help addicts give up heroin, for example", Lipsedge says. "It's like trying to cure an alcoholic by giving him vodka instead of gin. It only encourages addicts to go on feeling there is a chemical solution to their problems. The NHS needs to turn its back on chemical solutions and have a fundamental rethink."

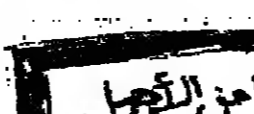
Lipsedge is particularly scathing about the continued prescribing of methadone, the heroin substitute long thought to be the "answer" to heroin addiction because its use

made heroin withdrawal symptoms more bearable.

"People sell their methadone and buy heroin", Lipsedge says, "or they become methadone addicts. Now an attempt is being made to popularize another substitute drug, naltrexone. It is said to block the effects of heroin: if you take both it and heroin, you don't feel good. It may or may not be helpful with heroin, but it does nothing for polydrug abuse. The vast majority of drug users in this country take more than one drug, from cocaine to tranquilizers to anything they can get."

The Ditzlers claim a success rate of more than 50 per cent, which is considered remarkable. Their programme bears many similarities to that of Alcoholics Anonymous, and Lipsedge is convinced that this approach is the only one which offers real hope of a cure.

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THE CONFIDENCE FACTOR

The nervousness exhibited by financial markets this week is part of a wider concern. Six months have passed since the collapse of oil prices. But the expected post-oil boom for the world economy has still to show. Falling share prices may be no more than an expression of impatience, of hopes deferred. The danger is of a temporary loss of financial market confidence extending outwards into the real economy, to become self-fulfilling.

When share prices on Wall Street began to fall on Monday, three factors could be detected. The Gramm-Rudman plan for reducing the United States federal budget deficit had been declared unconstitutional by the Supreme Court. There was increasing evidence of economic weakness, which would be exacerbated by the interest rate consequences of a failure to cut the budget deficit. And, perhaps most importantly, Wall Street, in common with stock markets around the world, had experienced a very strong rise and was due for a correction.

In London, with the exception of the special factor of the budget deficit, the same concerns were present. Share prices, until very recently, were marked up in anticipation of the economic recovery that was to have been associated with the new cheap oil era. Government bonds moved sharply higher in the expectation of lower interest rates that were to have accompanied the major fall in world inflation. But in neither case, so far, has expectation matched reality.

When oil prices fell from \$30 to \$10 a barrel last winter, a fall which may not yet have come to an end, the consequences were quickly foreseen in lower world inflation and stronger growth. The inflation effects could be expected almost immediately but would take a little longer.

And so it has been. Figures to be published today will show that the inflation rate in Britain has fallen to about 2.5 per cent, the lowest for nearly 20 years. In other countries, notably Germany, the price level is falling.

Central banks have not, however, responded to declining inflation with a corresponding reduction in interest rates, confounding the expectations of the bond markets. The inflation spectre of the past 15 years looms large enough to persuade policy-makers not to take risks. Cheap oil should mean permanent low inflation, it is argued, and not just a temporary dip in the inflation rate.

The impatience of financial markets, on one level, has good cause. Base rates in Britain of 10 per cent imply a punishingly high real interest rate when taken in conjunction with inflation of 2.5 per cent. In Germany, interest rates of 4 or 5 per cent sit uneasily alongside sub-zero inflation. In the United States, the Federal Reserve Board has been fighting a determined battle, which it appears destined to lose, to keep interest rates high.

It would be wrong, however, to view the pause in economic growth which has occurred since the winter as due to excessively tight monetary policy. The balance of the evidence, in fact, is tipped in favour of the view that monetary policy has been rather loose.

It is important to remember that the mechanism for the boost to growth from lower oil prices could not operate instantaneously. The initial effects of lower oil prices was to cut off export markets in the

oil-producing nations. Thus, both Germany and Japan, because of reduced export volumes, experienced a decline in gross national product in the first quarter of this year. In Britain, the drop in North Sea profits and investment added to these effects.

A secondary cause, as people made sure that the marked fall in oil prices was not followed by an equally sharp rise, was also inevitable. But that too is now over. The economy, both here and overseas, is now poised for, to use the Chancellor's phrase, a vigorous resumption of growth.

But growth requires confidence among the people who make the real decisions — the businessmen who invest and the consumers who spend. A spreading of the loss of confidence which affected financial markets particularly badly earlier this week could mean that the growth opportunity is missed.

There are indications that, where employment decisions are concerned, businessmen require a sort of super-confidence. Successive surveys, from the Confederation of British Industry, the Occupations Study Group and, this week, from the Institute for Employment Research, suggest that British employers are not sufficiently optimistic about long-term economic prospects, or their own ability to win back market share, to expand employment significantly. Such confidence could as well emerge from a tempering of wage demands, as Government and CBI participants at this week's National Economic Development Council meeting agreed. But it is needed if the chances of more robust growth now are to be translated into lower unemployment in the coming months.

being tentatively welcomed back into the fold. Last week, the Egyptian paper *Al-Ahram* published an interview with King Fahd of Saudi Arabia, its first for many years.

A new, superficially more amenable Arab grouping appears to be in the making, with the recently established Syrian-Jordanian axis at its centre. It is united by a pragmatic reluctance to underwrite Arafat's intransigence over a Palestinian homeland and a new-found (post-Libya?) abhorrence of his methods. For the first time since Camp David, there is the distant prospect of an Arab consensus: this time against, rather than for, Arafat.

The likely consequences of this embryonic realignment are far-reaching and generally welcome — though the Middle East repeatedly confounds optimistic predictions. In the long term, they could include a more comfortable, if hardly secure, existence for Israel within its existing borders, and the eventual reunification of the Palestinians around a more flexible PLO leadership.

In the short-term, however, Arafat and his men are likely to resort to more desperate measures as they try to restore their image and maintain a presence nearer to their national homeland. Yesterday's attempt to land fighters in Lebanon could be only the beginning of a long and bitter campaign.

MR ARAFAT LOSES MORE FRIENDS

The Jordanian government's action in closing the Palestine Liberation Organization's offices in Jordan — all 25 of them — is the latest sign of a sea-change in Arab alignments. Its significance is both practical and emotional, and its implications go far beyond the borders of the Arab world.

Once upon a time the Palestine Liberation Organization was regarded as the doyen of radical terrorist organizations. Its training camps were the destination of every aspiring terrorist. Its fingerprints were detected, rightly or wrongly, on the discarded pin of every terrorist grenade. Its leader, Yasser Arafat, was invited to address the United Nations.

Today, the PLO is a shadow of its former self. Its leadership is divided, several times over. Arafat is no longer the uncontested focus of Arab unanimity. Now, with the loss of its base in Jordan — the country many Arabs see as the closest the Palestinians will come to having a homeland — the PLO has lost its last legitimate foothold in the area.

The immediate motive for Jordan's break with the PLO, or rather with that part of it led by Yasser Arafat, was the PLO's condemnation of Jordan's alleged support for a rival PLO faction. But it would have taken more than words spoken in anger to break so long-standing an alignment. In fact, the seeds of disenchant-

ment were sown when Arafat thwarted King Husain's initiative, on the Israeli-occupied West Bank earlier this year. From then on the fortunes of Arafat's PLO, which had started to recover from the humiliation in Beirut four years ago, have been in decline.

The brutal truth is that while the Middle East situation has moved on since Arafat's heyday, the Palestine Liberation Organization under his tutelage has not. Rejectionism may be going out of fashion among Arab states, but Arafat still insists that he cannot deal, even indirectly, with Israel. He still insists on nothing less than an independent Palestinian homeland. But the PLO's territorial position is weaker than it has been for years. It is now effectively banished to Tunisia, far from its traditional theatre of operations.

Moreover, Jordan is only the latest of the Arab countries to have decided that the PLO, at least so long as Arafat remains leader, no longer represents a force for Arab unity. Syria has recognized exactly that in Lebanon, where it has risked military intervention to prevent the PLO's return. Saudi Arabia appears open to suggestions that its financial support for Arafat might be scaled down. And Egypt, once the pariah of the Arab world for signing the Camp David agreement, is

and that her criteria for safe practice are reasonable.

Why, then, did some of her senior colleagues take the opposite point of view? They apparently differed with her on the general need for caesarean sections. But it was a matter of opinion rather than practice. Eight per cent of the deliveries under her care were carried out by caesarean section compared to 12 per cent in the London hospital as a whole and 10 per cent nationwide. That is not a dramatic disparity.

But Dr Savage expresses her views on the superiority of natural childbirth very vigorously. As a result, her colleagues may well have exaggerated her commitment to it and believed, in the words of the report, "that Mrs. Savage rejected Caesarean sections regardless of the interests of the patients." That could account for what the report describes as an "undercurrent of opposition" to her which, while it fell short of the conspiracy alleged by her supporters, may nonetheless have distorted her judgement

DR SAVAGE VINDICATED

of her clinical standards and practices.

That is not to say that Dr Savage emerges without criticism from the report. She herself admitted errors in her handling of the five cases. And her deary in ordering a caesarean in the case of the baby AU receives the serious censure that it caused risks to both baby and mother and came "near the bounds of acceptable practice" — though it was quite unconnected with the baby's subsequent death.

More severe judgements may lurk in the second instalment.

But the wider value of the report, and of the public inquiry which led up to it, is that it has exposed the differences of clinical opinion on childbirth practices. It has therefore strengthened the view that potential mothers should be given the information that would enable them to choose between the different approaches of different medical experts. When the experts differ, they can not expect us to grant them *carte blanche*.

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Drug offence and death penalty

From Ms Joe Parham
Sir, Your leader today (July 8) "Drugs and the gallows" is so astonishing that I must take issue with you, even though Kevin Barlow and Brian Chambers are already dead.

Attempts to point out to the Malaysian Pardons Board that justice was not being done were not "patronising implications about the quality of justice in Malaysia". They were made in the knowledge that at least one of the convictions was unsafe.

No one in his or her right mind approves of heroin smuggling. No society in its right mind approves of capital punishment. Yesterday's execution is, in the words of Kevin Barlow's lawyer, Mr Karpal Singh, a scandal which has brought shame to Malaysia.

If, as the Malaysian authorities defensively reiterate, Kevin Barlow and Brian Chambers were subject to exactly the same judicial process as that enjoyed by Malaysians, then all I can say is God help the Malaysians.

Yours faithfully,
JOE PARHAM,
National Council for the Welfare of Prisoners Abroad,
347A Upper Street, N1,
July 8.

If that be so, many young lives which otherwise might be ruined by these cruelly lethal drugs may well be saved by the Malaysians carrying through these executions, in the teeth of outraged liberal opinion.

The Times is therefore right to advise those Western governments who seek to stamp out the menace of drugs to be chary about condemning the legal processes of a respected Commonwealth partner whose people are severely afflicted by hard drug addiction.

Yours,
ELDON GRIFFITHS,
House of Commons.

From Professor Brice Pitt
Sir, Referring to the execution of Kevin Barlow and Brian Chambers, your editorial remarks that "misgivings about the severity of the sentence ... must be swallowed".

The appalling anguish inflicted on these men during a period of 2½ years, during which they must have endured agonies of suspense about the possibility of a reprieve, and the haste with which they were finally despatched while the constitution of the pardons board in Penang was being challenged, show a ruthless inhumanity which far transcends even the hypothetical consequences of their serious crime.

I find, Sir, that my misgivings choke me.

Yours faithfully,
BRICE PITT,
8 Palmers Hill,
Epping,
Essex,
July 8.

Doubts on basis of UGC ratings

From Professor Michael Zander
Sir, Our law department was one of those favoured by a star as "outstanding" in the recently published UGC ratings for research. It may seem surprising as well as churlish, therefore, that I am writing to suggest that the exercise must be deemed to be wholly lacking in intellectual credibility.

The UGC's research into the relative merits of research in law departments seems to have been based largely on the reading of the very brief (two-to-three page) reports which we were asked to submit. Inevitably such self-serving statements emphasise strengths and minimise shortcomings.

At the end of our report we were requested to specify five titles of books or articles published since 1980 which were "typical of the best of the research in the department".

Considering that during the period members of an ordinary sized department would have published dozens of books and hundreds of articles; a sample of five seems so small as to be completely arbitrary and unrepresentative. But the weakness of this method of proceeding is considerably compounded since it has been learnt that those responsible for making the assessments for the UGC did not have the time to read the works listed.

If they were not to read, why were we asked to list only five titles? For that matter, if they were not to read, why were we asked for any titles at all?

Accountability of university departments and scrutiny of what they do in the research field seems both legitimate and potentially valuable. But if it is to be done let it be done properly and after consultations with the academic community. That the reputation of institutions should be made or even more, marred by the results of such spurious "peer review" is a public scandal.

Yours faithfully,
MICHAEL ZANDER,
The London School of Economics and Political Science,
Law Department,
Houghton Street, WC2,
July 7.

ON THIS DAY

JULY 11 1834

This leading article epitomises the vigour — often brutal — of The Times under the editorship (1817-41) of Thomas Barnes: it may in fact have been written by him. Melbourne succeeded Grey, but resigned in November and the opposition (Tory) party formed a government; Peel became prime minister, but not before Barnes had laid down the conditions under which he would support the new ministry, warning Lord Chancellor Lyndhurst to explain, "Why Barnes is the most powerful man in the country".

BARNES DEMANDS A NEW CABINET

In our article yesterday upon the embarrassing condition of the Government, we took the opportunity of referring to a statement of the LORD CHANCELLOR, which we noted that his Lordship has since repeated, to the effect that the only resignations of office which had yet taken place were those of Lord GREY and Lord ALTHORP; the obvious conclusion from which, as indeed it was put forth distinctly by Lord BROUGHAM, must be that minus only the late Premier and the late CHANCELLOR of the EXCHEQUER, the Government was still perfect in all its parts, while the tacit conclusion rather left to be drawn by others than directly announced by the noble and learned Lord himself, was, that with the simple substitution of another Chief, and another leader of the House of Commons, the same Cabinet might do very well in its stead (or stand) and the disturbance be settled without further difficulty and without any evil consequences...

Such being the fact, our comment is, that we are most deeply mortified, grieved, and alarmed, to hear it. Considering the circumstances under which the Cabinet which reckoned Lords GREY and ALTHORP among its members, has for some time attempted to struggle, and in the midst of which these noble lords resigned, nothing is more obvious than that a clean sweep of the whole Administration has become absolutely indispensable. The rubbish must be wheeled away in the last barrowful before any sure foundation can be laid for a new building. Good God! are we to have another downright fraud passed upon the rightful expectations of the country? Are we to have putty and whitewash laid over "lath and plaster", and then told that such an edifice will stand the hurricane of times like these?...

When, after the retreat of Mr. STANLEY and the rest, the last attempt at reconstruction out of the old unsound materials was condemned and scored as a piece of miserable drivelling, how much worse would the case be now, when Lords GREY and ALTHORP are to be added to the losses of the same Administration? ... We have said that any new Cabinet, framed for public esteem and confidence, must be at least as liberal as Lord GREY's. We recall the expression — and it may be more liberally used than itself — of that more than half-Tory section which has for these two sessions of Parliament paralyzed and disabled the best efforts of its more patriotic and enlightened colleagues. Lord LANSDOWNE, bolstered up as he was in youth by a system of sedulous preceptorship — by the anticipations of those herds of flatterers who besieged the noble Lord's father — the portly MARCEAS of some certain circles — and by the favour and countenance of Mr. Fox — Lord LANSDOWNE, we say — and we do so in the discharge of a stern duty to our countrymen — Lord LANSDOWNE is a total failure. He is not a bold, determined, or strenuous statesman. He has no sympathies with the spirit of manly and resolute reform. He has headed the Conservatives throughout, and through his influence in a quarter which shall be nameless, he it was who settled upon the country the personage of whose merits the noble Marquis has formed a judgement which is the admiration of all lookers-on — to wit, the wise Lord AUCKLAND! Yet there are dots who would actually obtrude Lord LANSDOWNE (of all men living!) for Prime Minister after Lord GREY, whose very weaknesses are more estimable than the other's strength, exhibiting, as they do, a high mind and a generous spirit. Lord LANSDOWNE's own promotion in the rank of Premier might be of a piece with the scheme of a "Coalition Cabinet," which we have for many months known to be a favourite chimera of the Court.

... Two of our contemporaries — one a morning, the other an evening, journal — are pushing the claims of as many individuals to high consideration as candidates for prominent office. The Morning Chronicle takes Lord DURHAM, for whom we have often declared our own goodwill, as a liberal statesman. The Courier will have it that Lord ALTHORP ought to be Prime Minister...

Medical exchange

From Professor J. W. Boag
Sir, In your correspondent's report (June 21) of our medical exchange visit to the Soviet Union there is one point I should like to correct. Our group of doctors made no request to visit Hospital No 6 where the Chernobyl patients are being cared for, as none of us had the special expertise to offer advice or assistance, which would have been the only justification for requesting such a visit.

Our itinerary had been planned long before the Chernobyl disaster and we were welcomed in all those hospitals and institutes — in Moscow, Leningrad and Yaroslavl — to which we had requested access.

Yours etc,
J. W. BOAG,
Flat 1,
40 Overton Road,
Sutton, Surrey,
July 5.

home for two thirds of the year as a preparation for vocational training at university.

There is no reason why the State should not take up two thirds of the places available leaving the other third to the operation of the market forces so dear to the heart of our present administration, with their decadent belief that price measures value.

Yours faithfully,
JOHN DAVIS,
University of Cambridge Clinical School,
Department of Paediatrics,
Addenbrooke's Hospital,
Hills Road, Cambridge.

Academic salaries

From the Parliamentary Under-Secretary of State, Department of Education and Science
Sir, Sir Edward Parkes's letter of July 9 may have misled some of your readers. Far from reneging on earlier promises, my letter of July 4 to the Chairman of the Committee of Vice-Chancellors and Principals specifically stated:

We shall of course honour Keith Joseph's undertaking to give the universities no less favourable treatment than the hospital and community health services.

Sir Edward is right in saying that the universities have not yet received extra funds. That is because we have not yet determined the amount of additional grant to be paid. It will depend on the levels of the pay settlements yet to be reached for clinical and non-clinical academic staff.

We stand ready to sign a cheque once the size of the bill is established.

Yours sincerely,
GEORGE WALDEN,
Department of Education and Science,
Elizabeth House,
York Road, SE1,
July 9.

From Professor John A. Davis
Sir, One side-effect of the cost of a public school education is that it leads middle-class families to strive for higher incomes than they would otherwise need, thus making them anxious to preserve an income differential based on class and not necessarily related to social usefulness. Could I suggest that the solution might be not to abolish such schools out of hand, with their fine record and traditions, but to turn them into sixth form boarding colleges, as was done at Dartmouth many years ago?

Thirteen years is, in my view, 100 young an age for boarding but by sixteen many if not most adolescents, having found their own values, could do with the experience of a structured educational environment away from

Boarding for all

government expenditure generally is restricted and, in the case of the council, there are many other competing demands.

The council is concerned not merely to improve the present state of the walls but also to ensure their preservation in the longer term.

The council has been making, and will continue to make, every effort to improve the state of the walls including use of various manpower schemes and is hopeful that a long-term solution can be found very shortly.

Yours faithfully,
T. J. DRIVER,
District Secretary,
Purbeck District Council,
Westport house,
Wareham, Dorset,
July 4.

From Mr T. J. Driver
Sir, The letter from Mr G. H. Osborn (June 21) overlooks the fact that, as a monument in an urban area, the Wareham town walls are much used for various recreational purposes which means sadly that in places erosion has occurred and is probably inevitable, as is litter.

This and the need to ensure that routine grass-cutting etc strikes a balance between preserving the monument and keeping it tidy, and nature-conservation aspects, means that maintenance in the short and long term is more costly than for other monuments. It is therefore by far the most expensive area of open space that Purbeck District Council has to maintain at a time when local

Neglect at Wareham

From Lord Kilbracken
Sir, It appears not to have occurred to Mr Roger Musgrave (July 7) that the way he "pushed through the cosmopolitan crowd" and presented his purchases "without saying a word" may have been precisely what gave away his race.

Yours faithfully,
JOHN KILBRACKEN,
House of Lords.

school watched proudly as our cricketers received an award from the sponsors of the County Championship. We had been voted Hampshire's outstanding cricketing school.

Later, over a coffee in my study, Rajesh Maru, Hampshire's left-arm spinner, asked our dedicated cricket master, "Where do you practise?"

"On the playground; we don't have a pitch", came the reply. Perhaps there is a moral somewhere.

Yours faithfully,
R. A. BRENT, Headmaster,
Bellemoor School,
Bellemoor Road,
Sturley,
Southampton.

Cricket decline

From Mr A. R. F. Carter
Sir, It was not till just lately that I finally hit me that we are indeed part of a Common Market. Last week I purchased a new air filter for my French-made "British" car; the filter was marketed under a German brand name, and manufactured in Spain.

A less humorous postscript is that for some 12 weeks the same filter type had been on order from a British company. Finally in desperation the dealer ordered the identical part from a German company, who delivered it in two days.

Yours faithfully,
RICHARD CARTER,
49 Langdon Road,
Sittingbourne, Kent.

US aid to Contras

From Mrs Faith Tolkien
Sir, The ruling of the International Court of Justice in The Hague that US aid to the anti-Sandinista Contras in Nicaragua is in violation of international law and that the US is liable to pay reparation to Nicaragua for damage already done must not go unremarked.

The US rejection of the court's authority in 1984 when the case was brought is now reaffirmed by the sending of \$100 million in aid to the Contras.

The consequences of this are obviously appalling for Nicaragua: the war will escalate and the people's deprivation and sufferings will multiply. But the implications are far wider and even those who are quite uninterested in the fate of Nicaragua should pay attention. Freedom and liberty, as extolled in the celebrations around the lady's statue, have no substance if law is broken and "might is right".

Civilisation depends on respect for this fragile value: each time it is broken — like the shattering of the beautiful conch in *The Lord of the Flies* — we are all endangered by the barbarism that breaks it.

Yours faithfully,
FAITH TOLKIEN,
28 Church Street,
Wallington, Oxford,
July 3.

The wrong laurel

From Mr R. J. Kenyon
Sir, It is to be hoped that "do-it-yourself" cooking enthusiasts do not kill themselves and their guests by using the recipe for *aigo bouido* given in Mr Peter Brown's travel article (July 5, page 10).

An infusion containing laurel leaves would be poisonous indeed. What the French and Spanish refer to as laurel is known as "bay" in English.

Yours faithfully,
ROBERT JAMES KENYON,
Seychelles Farm,
Oak Hill,
Abbotskerswell,
Nr Newton Abbot, South Devon,
July 5.

Open to view

From Lord Kilbracken
Sir, It appears not to have occurred to Mr Roger Musgrave (July 7) that the way he "pushed through the cosmopolitan crowd" and presented his purchases "without saying a word" may have been precisely what gave away his race.

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House of Lords.

Filtering through

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RICHARD CARTER,
49 Langdon Road,
Sittingbourne, Kent.

Stanhope
smanship
eginners

COURT AND SOCIAL

COURT CIRCULAR

BUCKINGHAM PALACE July 10: Mr Roger Westbrook was received in audience by the Queen and kissed hands upon his appointment as British High Commissioner to Brunet Darusalem.

ess of Snowdon for Canada and bade farewell to Her Royal Highness on behalf of Her Majesty.

WORK HOUSE ST JAMES'S PALACE July 10: The Duke of Kent, President, today attended The Duke of York's Royal Military School's Grand Day at Dover.

WRAC Officers of the Women's Royal Army Corps gave a reception at the Banqueting House, Whitehall yesterday.

School announcements

Eton College Summer Half at Eton College ends today. There are 240 boys leaving including the captain of school, R. T. Hanby, KS.

Sabre Championships: Ben Liebelt is British Schoolboys Champion and Public Schools Junior Champion.

Luncheon

Company of Watermen and Lightermen The Lord Mayor and Lady Mayoress attended a luncheon given by the Company of Watermen and Lightermen at Watermen's Hall yesterday.

Forthcoming marriages

Mr R.C. Brassard and Miss S. Welch The engagement is announced between Richard, elder son of Mr and Mrs H. H. Forbes Brassard, of Shipston-on-Strour, Warwickshire.

OBITUARY

LE DUAN

Pragmatic leadership of North Vietnam

Le Duan, secretary general of the Vietnamese Communist Party who succeeded Ho Chi Minh in 1969 and led North Vietnam to victory in the Vietnam War, died yesterday.



Le Duan, secretary general of the Vietnamese Communist Party who succeeded Ho Chi Minh in 1969 and led North Vietnam to victory in the Vietnam War, died yesterday.

He was 78. Like most of the elderly Hanoi leadership, Duan's hardline attitudes were bred in long years of fighting first the French and then the Americans.

United States military involvement in the region. On the death of Ho Chi Minh in 1969, he emerged as the effective Party leader and assumed, without dissent, the reins of power, although he never assumed his predecessor's title of "chairman".

It was a conflict that left a ravaged country in its wake. On the north and south were reunited at the end of the war in 1975, he advocated piecework and product-based wages in an attempt to revive the economy and feed the starving masses.

Italian affair, with Greig leading the British effort. In the event, it was for his No.2, Flying Officer H. R. D. Waghorn, to turn in the performance - 328.63mph - which won the Trophy for the second time, with his captain, Greig in third place behind Warrant Officer T. Dal Molin of the Italian Air Force.

AIR COMMODORE D. D'ARCY GREIG

Air Commodore D. D'Arcy Greig, DFC, AFC, who captained Britain's winning team in the 1929 Schneider Trophy Race, died in Bexhill-on-Sea on July 7. He was 86.

With his experience he was a natural choice to command the RAF's High Speed Flight in 1928 and immediately embarked on training for an assault on the world Air Speed Record, held at that point by Major Bernardi of the Italian Air Force, with a speed of 318.62 mph.

He later served in Canada, retiring from the RAF in 1946, at the end of a career in which he had flown 144 aircraft types, ranging from the biplanes of World War I to Spitfires, Mosquitos and Flying Fortresses.

Receptions

Marquess of Tavistock The Marquess of Tavistock entertained guests and Kennedy scholars at a reception in the House of Lords to commemorate the awarding of the Kennedy Awards and in honour of the departing scholars for 1986.

Mr K.P. Barnett and Miss S.M. Cohen The engagement is announced between Keith, son of Mr and Mrs Brian Barnett, of Kenton, Middlesex, and Suzanne, elder daughter of Rabbi Dr and Mrs Jeffrey Cohen, of Kenton, Middlesex.

Mr T. Baynes and Miss S. Sully The engagement is announced between Tim, son of Mr and Mrs Bill Baynes, of Ferring, Essex, and Sian, younger daughter of Mr and Mrs W.G. Sully, of Beaconsfield.

Service reception

WRAC Officers of the Women's Royal Army Corps gave a reception at the Banqueting House, Whitehall yesterday.

Mr N.E.B. Brown and Miss C.S. Parr The engagement is announced between Nicholas, second son of Mr and Mrs E. B. Brown, of Oxford, and Caroline, daughter of Mr and Mrs S.R. Parr, of Stoke Poges, Buckinghamshire.

Mr J.H. Webb and Miss M.L. Bateman The engagement is announced between John, son of the late Mr and Mrs J.H. Webb, of Great Bromley, Essex, and Miss Judith May, daughter of Mr and Mrs J.H. Webb, of Great Bromley, Essex.

Dinners

Bakers' Company The Lord Mayor and the Lady Mayoress, accompanied by the Sheriffs and their ladies, attended a dinner given by the Bakers' Company at Guildhall yesterday.

Dr A.D.F. Streeten and Miss H.S. Myers The marriage took place on Saturday, June 14, at the Collegiate Church of St Mary, York.

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Marriages

Mr N.H. Reed and Miss N.D. Boyd The marriage took place on May 31, in Montreal at Christ Church Cathedral between Mr Nicholas Hylar Rose, only son of Mr and Mrs Edward Rose, and Miss Nicola Dorothy Boyd, younger daughter of Mr and Mrs Michael Boyd.

Birthdays today

Sir Geoffrey Agnew, 78, Air Marshal Sir Leslie Bower, 77, Mr Robert Compton, 64, Mr Peter de Savary, 42, Sir Kenneth Jones, Q.C., 76, Major-General S. Lindsay, 81, Dame Margaret Nokes, 75, Sir John Rennie, 85, Admiral Peter Stanford, 77, Dr Derek Stevenson, 75, Mr John Stride, 50, Mr Gough Whitlam, Q.C., 70.

Heatwave Ball

The Heatwave Ball is being held at Grosvenor House, W1, on July 16. Tickets are available from Sightline 01-262 0191.

University news

Professor John Toy has been appointed Director of the Institute of Development Studies, University of Manchester.

Memorial services

Right Rev. E.R. Henderson The Archbishop of Canterbury will preside at a memorial service for the late Rev. F. Wilson at a service of thanksgiving for the life of the Right Rev. Edward Henderson held yesterday in Wells Cathedral.

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Births, Marriages, Deaths and In Memoriam

BIRTHS, MARRIAGES, DEATHS AND IN MEMORIAM 24 JULY 1986 (minimum 3 lines) Announcements, authenticated by the name and permanent address of the sender, may be sent to: THE TIMES, PO BOX 484, Victoria Street, London E1.

JARDINE OF APPELBERG On 7th July at Dunfermline, in Mary, wife of Sir James Jardine of Appelberg, 24 years.

GLENDYER On July 9th, Ellen de Gledyer, beloved widow of Jacob, mother of daughter, Kirsty, 82 years.

McGUFFE (née O'Riordan) On 9th July, peacefully in her sleep, Marjorie McGuffe, 81 years.

On 9th July, 1986, suddenly, at home, Terence Dwyer, aged 78 years.

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BIRTHS

ALEXANDER On July 8th, to Hannah and Brian, a son, Archie, a brother to Martha.

DEATHS

ASHWIN On July 7th, 1986, suddenly, at home, aged 73, widow of Philip and mother of Elizabeth, 74.

IN MEMORIAM - PRIVATE

CLARE (née Swanson) Kathleen Margaret, 11th July 1977. Remembering with eternal love the humour and hospitality of a great lady: John & JM.

MR GEOFFREY ROWETT

Mr Geoffrey Rowett, FCA, director and general manager of Times Newspapers Limited from 1967 to 1972, died on June 11. He was 60.

CHANDRA SHEKHAR SINGH

Chandra Shekhar Singh, Petroleum Minister in the central government of India, died on July 8 after a short illness.

PROFESSOR JOHN ASHTON

Professor John Ashton, CBE, Professor of Agricultural Economics at Newcastle University, whose inspiration moulded a generation of agricultural economists, died on July 2. He was 63.

MR GEOFFREY ROWETT

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CHANDRA SHEKHAR SINGH

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THE ARTS

هكزا من الشهر

Television
Promise of worse

The Cabinet system of government concentrates too much power in the hands of the Prime Minister, overloads ministers with work and allows too many major decisions to be taken elsewhere. These themes emerged from a recent history of the Cabinet, *All the Prime Ministers Men* (Channel 4), the first of a trilogy of political documentaries written and narrated by the political journalist Peter Hennessy.

Television is congenitally incapable of looking backwards; its heritage from news journalism is a fatal tendency to favour the drama of today's news rather than to take time to consider the context from which current events have arisen. Therefore *All the Prime Ministers Men* is a series which can be praised merely for its existence as a thoughtful deed in an incoherent world. This opening programme however could also be criticised for taking a dull, chronological approach to its subject and virtually defying viewers to keep interested.

It was a painstaking and authoritative review to which a large number of distinguished senior statesmen contributed. From the happy days before the First World War, when ministers discussed matters of importance in their clubs and on their grouse moors, the programme assembled a catalogue of major faults in the Cabinet system and highlighted important issues which had been fudged or decided in secret: Britain's atomic bomb, ordered by a committee of six; Suez, when the Cabinet was compared to the Prime Minister's private laundry; Concord, where compromise took the place of clear-cut policy; and the modernization of Polaris in the Seventies - Lord Barnett recalled that he had not even heard the code-name of this project until he left the Cabinet.

Inevitable shades of *Yes, Minister* arose in discussing James Callaghan's war with the Treasury. Ministerial overload was also a recurring theme. Lord Rothschild, the head of Edward Heath's think-tank, recalled a minister at a Treasury meeting unable to understand the proceedings and confessing that he had only read the papers in his car on the way there. Susan Crosland recalled telling her husband that the pressurized life that he led would have killed her. "It never occurred to me that it would kill him", she said. The programme ended on the eve of Margaret Thatcher's election victory, with the promise of worse revelations to come.

Celia Brayfield

Cinema
Touching wizardry in Land of Oz

The Color Purple (15)
ABC Shaftesbury Avenue

Half Life (PG)
Metro 1

Murphy's Romance (15)
Curzon West End

Enemy Mine (PG)
Prince Charles

Youngblood (15)
Cannon Oxford Street

The Color Purple arrives in Britain after mountainous publicity. Nominated for 11 Oscars, Steven Spielberg's film won none; testimony, rumour goes, to Establishment disapproval of the director's youth, power and success (or possibly the superior qualities of the rival entries). The film has also been tub-thumped for its style and subject-matter. Out go planetary visitors and comic-strip rigmarole; in come the earthly pains and joys of black people in the Deep South, as described in Alice Walker's novel about a woman's struggle towards self-respect and sisterhood during the century's early decades. Technical wizardry was now not enough; there had to be, in Spielberg's words, "spontaneous combustion in the idea department" and "tremendous emotional growth" among the characters.

This is, to be sure, a break in Spielberg's recent pattern. Whereas Indiana Jones's emotional growth could be contained on a pin-head, Alice Walker's heroine Celie advances from the consort-cum-drudge of a harsh black farmer she calls "Mr" to an independent woman fulfilling her gifts. Yet the pattern has only been cracked, not rent asunder. Walker's novel offered a tight thicket of letters from Celie and her sister to each other and God; Spielberg leaves us clutching the 154-minute chain of slick, mostly shallow set-pieces, staged with an eye to prettification.

Characters pose silhouetted in the orange sun; a cheek's tear is caught in a shaft of light. Angled shots isolate symbolic objects: the letter-box from which "Mr" filches the letters of Celie's sister, who becomes a missionary in Africa; the rocking-chair where Celie weaves a tempting razor on her master's neck and reads the letter eventually discovered with the help of Shug, the blues singer and free spirit who flits through the narrative. This artificial visual style has distinguished Hollywood precedents: Disney cartoons and William Cameron Menzies's production designs immediately come to mind. But the symbols and embellishments do little to foster a sense of reality, nor do they smooth the plot's bumps and craters during its 40-year journey. Audiences unfamiliar with the novel may well be



Whoopi Goldberg (left), showing a chameleon's skills as Celie in redeeming *The Color Purple*, with Margaret Avery as Shug, prodding her to blossom and smile and shimmer with tender simplicity

confused by the flurry of exposition, the final rush of reunions, and much else in between.

Luckily the film contains one great strength in the debut performance of Whoopi Goldberg, who shot to fame in 1984 with her one-woman, multi-character Broadway show. Her present part equally needs a chameleon's skills; as Celie, she must variously look quashed, obedient, shy, sly, indignant, proud and victorious. Her dignity, however, remains constant, and the scenes where Shug prods her to blossom and smile shimmer with tender simplicity. Without Whoopi Goldberg, Spielberg's Deep South would seem like the Land of Oz.

Using newsreels, declassified documents and interviews with witnesses and survivors, *Half Life* tells the ugly story of the huge hydrogen bomb dropped by America in 1954 on its remote Pacific protectorate, the Marshall Islands. Supposedly unforeseen winds carried the fall-out to inhabited atolls, damning generations to thyroid tumours, cancers and other ills - and giving the Atomic Energy Commission perfect conditions for a field-study. Another director might have whipped up the material into an agit-prop scream; Dennis O'Rourke, an Australian film-maker especially concerned with the erosion of non-western cultures, chooses to make his points quietly, slowly unfolding evidence of American cynicism and the uncontrollable effects of its man-made atomic monster.

As in *The Atomic Cafe*, archive footage chillingly encapsulates period attitudes: one *Fifties* commentator blithely calls the islanders "savages". But O'Rourke's camera finds much

food for thought itself, among today's islanders: catching the thrashings of a deformed child hidden in shadows, or the simple words of a mother who once thought the Americans friendly visitors. "Do they think one person's life is unimportant?" she asks. "What goes on in the minds of these people?" *Half Life* presents a bleak, eloquent, unforgettable study in human frailty and the monstrosity of life under the mushroom cloud.

"Haven't been to a movie since the Duke died", says James Garner's pharmacist in *Murphy's Romance* during a hesitant courtship of Sally Field, the town's new widow. Alan, the Bijou is showing some bloodbath, and the couple quickly exit for the gentler pleasures of bingo at the Elks Club. The director Martin Ritt, maker of well-intentioned films since 1956, is clearly standing up for old-fashioned entertainment; and it needs a rather old-fashioned audience to get the best from this slow-moving story of a May to December love affair. Ritt's regular collaborators Harriet Frank Jr and Irving Ravetch lace their craftsmanlike script with a generous allowance of Midwestern atmosphere, and the stars supply the expected commodities: grit and pucker-look from Sally Field, lackadaisical charm from James Garner. This is not the film for those who like surprises.

Predictability cannot be levelled at Wolfgang Petersen's grotesque *Enemy Mine*. An intergalactic dogfight temporarily reduces the characters to Davidge, a xenophobic earthing, and Jerba Shigan, a reptilian hermaphrodite - both marooned on a hostile planet. At first Davidge dubs the alien "rod face"; when relationships im-

prove he calls it Jerry. After displaying a stomach glowing like a brazier, Jerry gives birth and dies. The offspring is captured by marauders - and so it goes on, for 93 lunatic minutes (15 minutes less than the American version, which sank like a stone).

Like his UFA compatriots 60 years ago, Petersen glories in studio-bound extravaganzas, and the few obvious location shots seem real intrusions among the carnivorous tentacles, ferocious crags and meteor-storms conjured up at the Bavaria Studios, Munich. Petersen also shares Fritz Lang's taste for scattering his fantasies with would-be serious thoughts; *Enemy Mine* duly preaches a simple sermon about friendship, honour and global relations. But how can we take the sermon to heart, yoked to such turgid darkness?

Youngblood, from Canada, is bluntly aimed at the teenage market. Young lads are offered all the violence and dirty tricks traditionally associated with junior league ice-hockey; young ladies, meanwhile, should delight in the heart-throb star, Rob Lowe, parading a sleek physique. Lowe plays *Youngblood*, the new recruit facing up to the hard-hearted coach, the coach's pretty daughter, and a brutal rival; the plot might be new to audiences just discovering cinema. Peter Markle, a former hockey player himself, directs with steamroller grace, shifting into slow motion for falling dentures and heads hitting ice; market forces seem to have stifled the talent for observation displayed in his first film, *The Personals* (recently screened on television).

Geoff Brown

Concerts

SCO/Boettcher
Town Hall,
Cheltenham

Not for the first time, a new piece by Robert Saxton leaves one in the whirling irresolution of being in two minds at once, both of them excited. His *Viola Concerto*, which had a first performance from Paul Silverthorne on Wednesday night that was itself dizzying, is a very brilliant and cogent piece of work, supremely confident not only in its long, various and challenging solo part but also in its handling of the orchestra. The fact that it is a reminder of anything is of Bartok's *Miraculous Mandarin* is high praise for the effectiveness and aliveness of Saxton's instrumentation, and for his achievement of bold effects with a relatively small ensemble.

But then my other mind will want to point out that much of his imagination seems to have been diverted into accomplishing a formal respectability. Not only does the work have the regular four symphonic movements - an opener that has the dual subject-matter and the balancing reprise of a sonata allegro, a scherzo with wild piccolo trio, a slow movement and a finale of suspiciously rook-like shape - it also relives the most obvious and long-established concerto metaphor, that of the soloist as individual in conflict with the orchestra as crowd.

Beyond that, there is a connection with the Hebrew meditations of Ernest Bloch, for the main features of the soloist's stouter melodies are those of Jewish cantillation: accented appoggiaturas, repeated notes, prominent downward scale shapes and arpeggios. Then again, the work is almost a revisiting of Saxton's *Concerto for Orchestra*, beginning with similar, though reduced, gestures of luminosity, and reaching halfway through to an analogous point of deep bass blackness.

One's two minds might join in pleasure if the work somehow took account of its stiffening background, but it seems on the contrary blithely naive about itself. That, of course, is part of its appeal: the marvellously outrageous assumption that one can write a conflict as if history had not happened. But I suspect Saxton may be on the way to tougher engagements with musical truth, and that, where this concerto seems didactic in its harmonic processes, the pupil for whom it is designed is himself.

Dance

Banda
Coliseum

Geoffrey Holder's *Banda* is very much a one man show, since he is responsible for the sets, choreography, costumes and music - listed in that order in the programme credits - which might seem to indicate a bizarre idea of the relative importance of the ballet's component parts. It also, I am afraid, brings to mind the saying about jack of all trades, because none of this is exactly mastery.

The work, given by Dance Theatre of Harlem at the Coliseum on Wednesday, is a throwback to a side of the repertory that the company has largely outgrown. This particular example comes complete with solemn notes about voodoo as a religion, but what we see on stage is more like high-class cabaret than real voodoo or real ballet. If the sight of the fith and

Martin Cropper

It also showed itself well designed for the virtuosity of the Scottish Chamber Orchestra under Wilfried Boettcher; and, while on the subject of Scottish orchestras, I must put right an error in my review of the Maxwell Davies *Violin Concerto*: the RPO were not the first symphony orchestra to play in Orkney, for the BBC Scottish Symphony had been there before. To them my apologies.

Paul Griffiths

RPO/Davies
St Paul's Cathedral

The idea of mounting Britten's *War Requiem* to St Paul's Cathedral - as the huge centenary, in every sense, of the City of London Festival - was certainly spectacular enough; the problem was the acoustical reality. This was a performance which dealt in apocalyptic moments because it really had no choice. Obviously in such magnificently spacious surroundings one would not have expected the finest of fine detail in the chamber-orchestra sections to come through. The trouble was that virtually everything disappeared; bass lines sometimes managed to sound surprisingly clear, but nothing above middle register had a chance except when the harmony flowed in its broadest periods.

But some moments did work - the chorus's final huge shout of "Sanctus"; for instance, winging away into the vast distances of St Paul's to reveal the hushed opening notes of the Wilfred Owen setting "After the blast of lightning" unasily sustained beneath it, or the relentlessly gradual build-up of the "Libera me" towards its release in one of the most awesome climaxes in all music.

Maldwyn Davies (tenor) and Ian Caddy (baritone) had presumably decided that there was little mileage in a really dramatic projection of the Wilfred Owen settings and so sang rather within themselves, but agreeably; Heather Harper's soprano was as secure and radiant as ever. Coordinating his far-flung forces in a situation like this must have been close to nightmare, but Meredith Davies held everybody fairly well together and kept to an unflinching pace. The Nash Ensemble, the London Symphony Chorus and the Royal Philharmonic Orchestra all contributed strongly; the Choirists of St Paul's sounded best of all, but then they know the building.

Malcolm Hayes

Diffuse old jokes

The Cure for Love
Theatre Royal, York

Walter Greenwood is better known for his dire social-realist novel *Love on the Dole* than for this "breezy northern comedy" which - under the title *Rod of Iron*, and starring Robert Donat (a role he later re-created in his film version) - was a hit of 1945.

Set in Salford in the fifth year of the war, the piece presents a portrait of working-class life among the grimy back-to-backs. It is a microcosm of poverty, back-parlour sermonizing and intransigent-held opinions, a Zolaesque world where mortal insults take the form of criticizing the cleanliness of one's neighbour's house, and where the divorce-rate can in all solemnity be blamed on not wearing wool next to the skin.

The high priestess of all this is a tough, grim widow (Vanessa Rosenthal) whose ritualized parsimony extends to hiding the poker when she leaves her well-scrubbed teetotal home to work at a British Restaurant.

When her soldier son (Con O'Neill) returns on leave from three years spent leaving Jerry, her first concern is that he has failed to gain a pension for his minor wounds. Her second concern is that in his absence his room has been taken over by a vivacious cockney girl (Linsey Beauchamp) billeted on her for the duration, while his major headache is that he is engaged to a young neighbour (Gwyneth Hammond) whom he has never loved. The resulting confusions devolve at a slow trot punctuated by fits of explosive altercation, with pithy opprobrium and lashings of colourful dialect.

The company's stabs at the notoriously ill-sounding local accent are variable, to say the least, and Ian Forrest's production is unevenly focused, with rather too much emphasis on the two maternal gorgons (the widow and the fiancée's mother, played with gusty stridency by Ellie Haddington) and not enough on the young lovers. Richard

Mayes turns in a performance of solid authority as the well-heeled publican who spends a large part of the action attempting to ban various intemperates from his private bar.

But the script itself is hamstringed both by its reliance on wartime jokes (which simply do not work any longer) and by its pedestrian verbosity, which, at around three hours' running time, brings to mind the ordeal of watching six episodes of *Coronation Street* back-to-back.

Soft-centred and diffuse in construction, the piece remains an historical curiosity.

Martin Cropper

Theatre

The Art of Success
The Other Place,
Stratford

Thanks to his introduction of censorship, Robert Walpole remains a lively figure on the British theatre scene. But, whatever his baneful influence on the stage, it was also Walpole who put through the 1735 Copyright Act which guaranteed the livelihood of another group of artists by protecting them from piracy. The immediate victim and the immediate beneficiary of those two Acts were Henry Fielding and William Hogarth. Fielding, you might say, was asking for it; which raises the question of whether Hogarth was being rewarded for services rendered.

Such is the starting-point of Nick Dear's play, which compresses 10 years in the lives of the two men into a single night, combining brutal sexual and political farce with a running debate on the purpose of art. The play, in other words, is concerned with still topical issues; and Mr Dear confidently encompasses both worlds by coupling action in

the 18th-century manner with characters who talk in the classless cockney of today.

You get the style from the opening AGM of the Beefsteak Club, with the chairman casting his vote for laying on some whores under *Any Other Business*, and Hogarth confronting an art-collecting millionaire like an 18th-century Don McCullin facing the director of the National Portrait Gallery. The play latches on to the fact that Hogarth was working in an area despised by graduates of the Grand Tour, and that, for all his realism, he did not satirize recognizable personalities. Why not a Statesman's Progress, Fielding asks; and is brushed off by the proudly independent painter.

The rest of the play proceeds to call his independence to question. He visits a condemned murderer in Newgate, frankly telling her that he is only drawing her in hope of making a large profit. It then appears that he has already secretly accepted an engraving commission from Walpole, and is on the way to becoming his creature. To describe the action like that is to suggest that Mr Dear has written a Hogarth's Progress. In fact, he



Fiercely memorable: Penny Downie as the murderer

is too intent on showing all sides of the character to impale it on a didactic pin.

There is Hogarth's loving husband going back to his Covent Garden whores for the joys he cannot mention to his wife; there is Hogarth the victim of castration nightmares; and the artist who

wants to niggle at public hypocrisy while also receiving a fat fee. He would be entirely at home in television or advertising; and, indeed, one of his nightmares includes the gift of a Polaroid camera.

Bounding between clubland, prison and the brothel, the play accelerates into demented frenzy in which farce overlaps with the horrors. The basic structure is that of the old comedy, with Hogarth desperately making his way home in skirts like the hero of *The Provok'd Wife*. Mr Dear also pushes over the boundaries between comic action and fantasy, so that the murderer escapes from jail and makes for the wife's bedroom, where Walpole himself also puts in an appearance, assuming he has interrupted a lesbian assignation. When things grow as improbable as that, the play regains control by a return to elegant diction. "You have a sharp mind for a woman in a nightie", Walpole remarks, and observes, some speeches later, "I got a Titian last year for £2.10 - it's already worth double that".

The play is essentially about learning to close the gap between waking life and dreams; and there are times, particularly when Fielding and Hogarth's wife take over his education, when it grows uncomfortably sententious. Otherwise, its progress is spectacular and unflattering.

Adrian Noble has directed it on and around a raised platform (by Ultz) first seen as a gigantic table for the slumbering drunks of the Beefsteak Club. That sets up expressionistic expectations that are honoured throughout the evening with transformations to a fetid Newgate, a whore's pitch in Vauxhall Gardens and the Queen's bedroom.

Altogether it suggests a pitiless world where disaster always looms, and nobody takes any precautions against it. Michael Kitchen's Hogarth, raked equally with guilt, and creative energy, comes over as one of the lads who also conceivably could be a genius. The whole company are on top form, with fiercely memorable performances from Diana Siabb, Penny Downie as the murderer and Joe Melia as a silkily menacing Walpole forever glossing over the quirk of fortune that has taken him to the top.

Irving Wardle

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New budget for EEC clinched on £93m deal

From Jonathan Brande, Strasbourg

The European Economic Community has agreed on a new 1986 budget of £21.9 billion, using up all the available funds and increasing this year's spending by more than £1 billion.

Parliament voted in favour of the budget by 355 to 27, with 21 abstentions, only a week after the European Court of Justice ruled that the original budget, pushed through at the end of last year, was illegal.

After four days of intensive negotiation, the governments of the twelve member states and the European Parliament agreed to an agricultural spending of £13.9 billion — an increase of £682 million on the budget thrown out by the court.

The extra money will be needed to cover the extra cost of subsidising agricultural exports, due to the fall in value against the dollar. The British Socialists voted against it.

Regional and social spending was increased by more than £400 million to £3.1 billion, with most of the extra funds going to Spain and Portugal, thereby winning the newcomers' votes for the budget.

The budget uses up all the Community's revenues within the ceiling of 1.4 per cent of VAT and income from customs duties and agricultural levies.

Fears of bankruptcy concentrated the minds of the negotiators during the course of Wednesday night, as all sides realized that failure to reach an agreement would leave the Community at least £3 billion short in 1986.

The crucial breakthrough came as Parliament accepted a £93 million deal to fund all the projects threatened by the court's decision. The money was put into a "negative reserve", which must be paid back at the end of the year from unspent funds in other areas of the budget.

Mr Peter Brooke, the British president of the Council of Budget Ministers, declared that the agreement was a success for Europe and could put an end to the annual squabbles over the division of funds.

Displaying his European credentials in heavily accented but accurate French, he expressed his pleasure that Parliament and governments could work together to resolve the problems of the EEC.

Russians in a jam over radio broadcasts

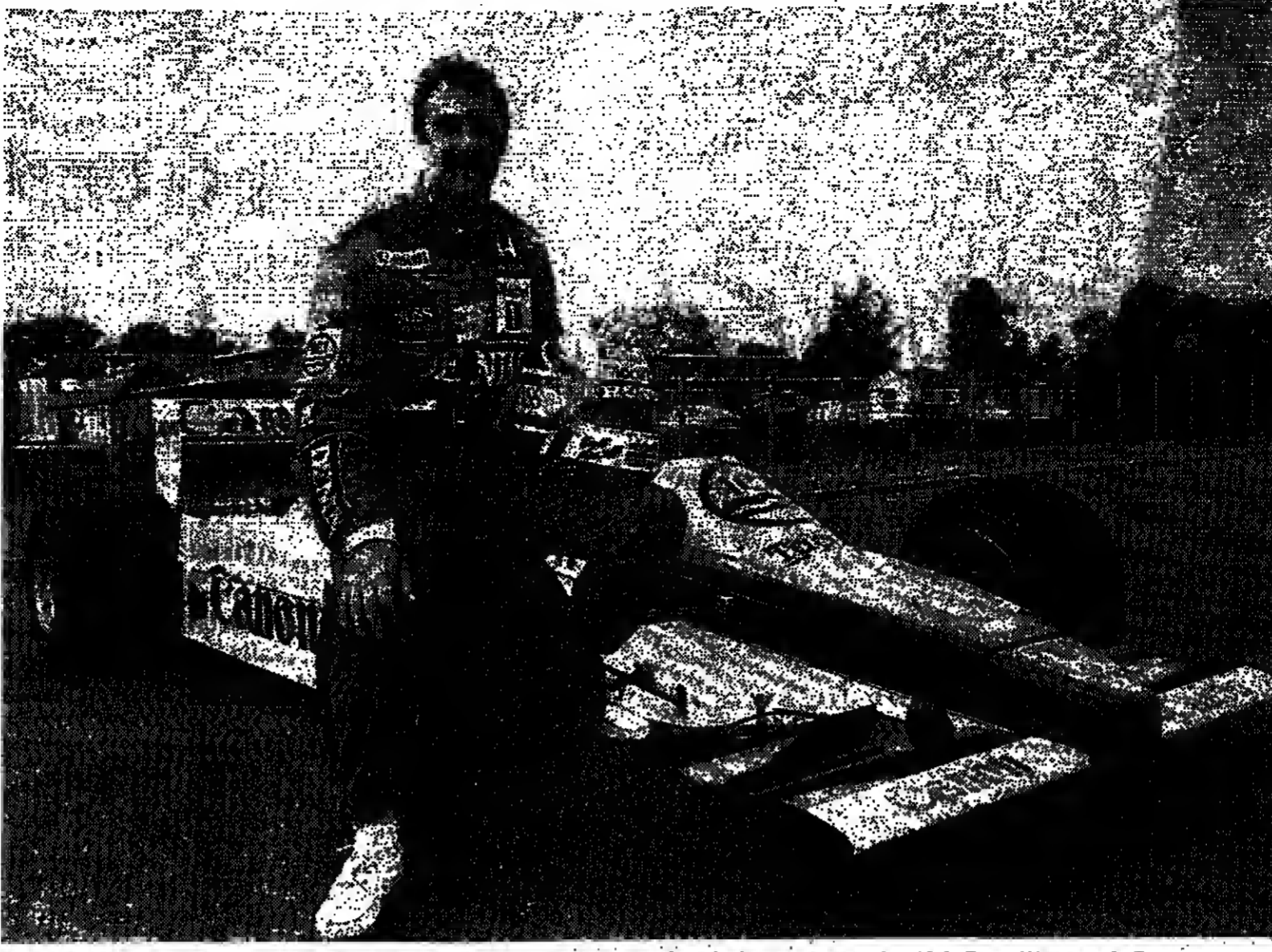
A BBC investigation has revealed that Radio Moscow broadcasts to Britain are being disrupted — by the Soviet Union's jamming devices (Gavin Bell writes).

The inquiry was ordered after Mr Leonid Zamyatin, the Soviet Union's ambassador in Britain, complained to the Commons last week that he could not listen to programmes because they were being jammed, particularly in northern England.

BBC engineers, including some at the Skelton transmitter site in Cumbria, promptly checked reception of the six frequencies used by Moscow to broadcast in English to Britain. They discovered:

- Three were operating without interference;
- One was interfering with a neighbouring BBC World Service channel, despite repeated BBC complaints;
- Two were being disrupted by distinctive Soviet "road-drill" type jamming on two adjacent western channels.

The BBC, which believes it has 14 million regular listeners to its Russian service in the Soviet Union, estimates that Moscow spends £680 million a year jamming foreign broadcasts.



Nigel Mansell and machine at Brands Hatch yesterday... hoping to overtake reigning world champion Alain Prost (Photograph: Peter Trievnor).

Perfectionist looks to reality in title race

By Tim Jones

The man who would be king does not dream of wearing the crown. For Nigel Mansell knows that before he achieves that accolade he must survive another 1,300 miles of punishing driving at speeds averaging more than 115 mph.

Those hard miles represent the eight remaining races in the Formula One world championship season and Mansell knows that he must drive his 1,000-horsepower machine to perfection if he is to become the first Briton to win the drivers' championship since James Hunt 10 years ago.

By all the rules of this rich man's game, Mansell should not be on the starting grid at Brands Hatch on Sunday where the British Grand Prix is being fought out.

Unlike many of his glamorous rivals, Mansell has no wealthy parents to help him sustain the dream which he has nurtured since he was aged seven.

He worked, alongside his father, at Lucas Aerospace in Birmingham, but the ambition to drive faster than any man alive would not leave him. At first, he satisfied his lust for speed by go-kart racing, but that was not enough.

So, not long married, he sold his house to raise the money to enable him to take up Formula Ford racing. There was no champagne then. At night he framed pictures and by day went window cleaning in order to raise funds.

While his Formula Ford reputation was growing, he was running 15 miles a day to keep fit and writing 30 letters a day to plead for sponsorship.

His grit paid off. On Sunday, when he sits in his Canon-Honda-Williams car, he will know better than anyone that, with 38 points so far this season, he is only one behind the mercurial Alain Prost, the present world champion.

Speaking yesterday in his calm, unemotional Midlands accent, Mansell said that he did not dream of the world crown. "I would rather use the energy to make the dream come true rather than waste it dreaming."

Could he have achieved the dream if he had been wealthy? "Maybe yes, maybe no. If you have the wealth I don't know whether the hunger is there. But though I have the wealth the hunger is still with me."

"What I have achieved has been through determination, single-mindedness and doggedness. I am never arrogant because I believe you can always learn something."

He does not think of danger or death. "I take each race as it comes, although some pretty terrifying things can happen like being trapped in a burning car and unable to get out."

For a man whose profession has already cost him a broken back and neck it was a modest understatement.

Away from the off-thick smell of the racing pits, Mansell likes to return to his Isle of Man home with his wife Roseanne, and his children, Chloé, aged four, and Leo, aged 18 months.

"I am not a tax exile because I pay 20 per cent. I could live totally tax free in somewhere like Monaco but the island is like a fairy tale to me."

There he practises on the seven-island golf courses where he hopes to perfect his game sufficiently well to pursue another great ambition — entry into the British Open. His handicap is approaching par and no one will bet against him succeeding.

According to Mr Peter Windsor, public affairs manager for the Williams team, Mansell, with his background, succeeded against odds of one million to one.

Mansell knows this but he is more aware of the 1,300 miles left to go, which is why on Sunday he will concentrate on reality. The dream can follow.

Hopes of second summit increase

Continued from page 1

there must be the possibility of a substantive agreement at the second summit before the Soviet side will agree to a final date. Both predicted that recent Soviet proposals to allow some research into the Strategic Defence Initiative (SDI) could provide a crucial basis for negotiation.

Mitterrand described some of the recent arms proposals put forward by Mr Gorbachev as "fairly spectacular" and, in answer to a broad question on the state of disarmament negotiations between East and West, concluded: "The path is a little clearer before us, and that is an improvement."

On the key summit question, Dr Owen said that Mr Dobrynin, now based at the international department of the Communist Party's Central Committee, had made clear that before agreeing a date the Soviet side needed to know that at least one nuclear issue would be discussed with the chance of a substantive agreement.

He added his talks had made it clear that the Soviet Government understood that it could no longer hope to prevent research on SDI proceeding.

Mitterrand, although emphasizing his adherence to the Nato alliance, indicated French sympathy for the Soviet stand on a number of arms control issues.

The only sour note concerned the vexed question of human rights, particularly the unresolved case of Dr Andrei Sakharov, the exiled Soviet physicist and his wife, Mrs Yelena Bonner, who met Mitterrand in Paris in May.

• JERUSALEM: Mr Yitzhak Shamir, the Israeli Foreign Minister, yesterday rejected Mr Gorbachev's call for the five permanent members of the UN Security Council to hold a conference on the Middle East (Reuter reports).

He will not accept any imposed solutions of our problems," Mr Shamir said.

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False picture, page 16

Business and Finance

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Hopes of second summit increase

Executive Editor Kenneth Fleet

STOCK MARKET

FT 30 Share 1340.6 (+9.1) FT-SE 100 1626.7 (+12.1) Bargains 25527 USM (Datastream) 124.79 (+0.26) THE POUND US Dollar 1.5170 (-0.0080) W German mark 3.2968 (-0.0342) Trade-weighted 74.9 (-0.6)

Allied wins appeal

Allied-Lyons has won another round in its \$Can2.6 billion (£1.24 billion) quest to buy Hiram Walker's drinks division. Ontario Supreme Court has dismissed with costs the appeal by Olympia & York, Hiram's parent, against approval of Hiram's right to sell the division to Allied.

Allied still has two major hurdles to clear. On Wednesday it begins court action in an attempt to force O & Y to honour Allied's contract with the previous management and to seek damages of up to \$Can9 billion. This case is expected to last for weeks.

Investment Canada, the Canadian monopolies authority, still has to approve the transaction.

Birmid jumps

Birmid Qualcalt, the founder company, increased profits from £3.68 million to £6.14 million before tax in the six months to June 3. Turnover fell from £112 million to £109 million and the interim dividend is 1.25p, up from 0.75p. *Tempus, page 26*

Market debut

Stanley Leisure, which operates 117 betting shops and four casinos in the North and Midlands, is coming to the stock market next week with a placing of 2.73 million shares at 110p each. *Tempus, page 26*

First test

British Electricity International, the overseas consultancy run by the electricity supply industry, has completed the initial testing of a £400,000 wind generator for the Barbados Government.

GRE victory

Guardian Royal Exchange, the insurance company, has won approval from the City of London Corporation for its £20 million refurbishment of the Royal Exchange, a landmark in the Square, Mile.

Talks off

Texas Air Corp said it had ended talks with People Express about acquiring the ailing carrier after the People Express board rejected its \$9 a share cash and stock offer.

ATS go-ahead

Wemyss Investments has declared its offer for ATS Resources unconditional on receiving acceptances for 33 per cent shares. Wemyss already owns 27 per cent of ATS.

Sale success

Windsor's offer for sale of 6.6 million shares has been oversubscribed.

Table with 2 columns: Commodity, Price. Includes Stock Market, USM Prices, Foreign Exch, Traded Ops, Money Mkts, Unit Trusts.

MARKET SUMMARY

Table with 2 columns: Stock Markets, Main Price Changes. Lists various indices and their movements.

Table with 2 columns: Interest Rates, Currencies. Lists bank rates and exchange rates for various currencies.

Pao snaps up 10% Standard stake

By Graham Searjeant Financial Editor

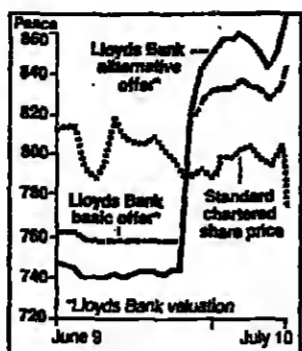
Sir Yue-Kong Pao, the Hong Kong shipping and property magnate, has made a dramatic entry into the bid battle for the Standard Chartered banking group by building up a stake of almost 10 per cent in two bouts of buying on the London Stock Exchange.

He announced a 5.4 per cent stake overnight and then bought a further 7 million shares yesterday morning, putting his total stake at 9.97 per cent. The stake is worth about £120 million.

The buying came after the purchase of a 5 per cent stake by the Singapore financier, Tan Sri Khoo Teck Puat, who had also declared his support for Standard Chartered's continued independence.

With other holdings, it is thought that about 20 per cent of Standard Chartered shares are now committed to the board.

Shares in Standard Chartered plunged on the news as market fears grew that the £1.3 billion takeover bid by Lloyds Bank might fail. At one time Standard shares fell from 802p to 767p and closed 25p down at 777p.



Prices of Standard Chartered shares are now committed to the board.

Shares in Standard Chartered plunged on the news as market fears grew that the £1.3 billion takeover bid by Lloyds Bank might fail.

Lloyds Merchant Bank also bought a further 3 million shares on behalf of Lloyds Bank after buying 4 million on Wednesday.

With holdings in the Lloyds Bank pension fund, this brings the bidder's stake to the maximum 5 per cent allowed under United States banking laws.

Once this buying stopped, the Standard Chartered share price fell quickly and that of Lloyds rose equally steeply, gaining 25p to 422p before slipping to 419p. Consequently, Lloyds calculates the value of its alternative bid, which contains ordinary shares, at 872p, nearly £1 per share above the Standard price.

Lloyds puts its basic offer at 842p. Standard Chartered puts a lower valuation on Lloyds' unquoted convertible preference shares.

Mr Nicholas Jones of J

Henry Schroder Wagg, the merchant bank advising Standard Chartered, admitted that the share price fall stemmed from a possible failure of the bid, which closes for acceptances at 1pm on Saturday.

Mr David Horne of Lloyds Merchant Bank said that the Standard Chartered share price might release below 700p if the bid failed and it was no longer profitable for shareholders to sell in the market. He said: "Shareholders now have nothing to lose by accepting."

The intentions of Standard Chartered's powerful new shareholders in the Far East, the most important part of the bank's operation, are unclear. Sir Yue-Kong made an expensive counter offer to stop Tan Sri Khoo buying the Hong Kong group, Wheelock Marden, so the two are unlikely to be seen as allies.

Inmos to shift production from US to South Wales

By Clare Doherty

Inmos, the semiconductor manufacturing company owned by Thorn EMI, is to cease production in the US. The work will be transferred from Colorado to its plant at Newport, Gwent.

Thorn EMI, which yesterday announced its results for the year to March 31, said the rationalization programme, involving the loss of 450 jobs in Colorado Springs, started yesterday.

Inmos made a loss of £25 million before interest last year, against a profit of £4.2 million in the previous period and a budgeted breakeven.

Sir Graham Wilkins, Thorn's chairman, said: "Inmos remains our major problem. There is no pick-up in the semiconductor or peripheral market." He said the transfer of production to Newport would reduce costs by \$3 million (£1.9 million) a month, but to reach breakeven Inmos would have to increase sales slightly.

Thorn acquired 76 per cent

of Inmos from the Government two years ago. Its current shareholding is 95 per cent.

Thorn's profits of £104.7 million before tax, down from £108.3 million, were better than expected, despite the problems at Inmos. On the stock market its shares initially rose by 44p to 511p but later fell back to 487p.

Mr Southgate said the results reflected an underlying trading improvement of more than 15 per cent.

There was an extraordinary charge of £61 million, including £45 million for the cost of rationalization and equipment write-offs at Inmos. The rest of the extraordinary charge was made up of £10 million costs of transferring television rental business out of Rumbelows and £6 million costs of closing the cable business.

The final dividend was unchanged at 12.5p, leaving the total at 17.5p. The dividend was covered 1.5 times by after tax profits. Attributable

profits were only £400,000. Sir Graham said Thorn had completed its programme of major disposals. In addition to Thorn EMI Screen Entertainment which Thorn sold controversially to Bond Corporation, it has recently disposed of its heating business, companies in Metal Industries and its cable television interests.

Taken together the proceeds amount to £200 million. Thorn admitted that its American music business, with pop stars such as Tina Turner and David Bowie, made a loss of \$20 million last year.

Mr Colin Southgate, Thorn's managing director, said it was still hoping to find a partner for Inmos but that would only be possible when the company was breaking even.

If Inmos does not return to breakeven in the current year further action will be considered, including closure. *Tempus, page 26*

Cash call for £23m at insurer

By Our City Staff

London United Investments, the insurance company and underwriting agent, has asked its shareholders for £23.4 million net in a one-for-two rights issue at 330p. It is LUT's third rights issue in three years.

The money will be used to allow its subsidiary insurance company, Walbrook, to underwrite a far higher level of American casualty business.

Premium rates in American casualty have risen by four to six times their levels of last year and the overall lack of capacity in the insurance industry means that good business is going begging, the company said.

LIU has forecast a dividend increase this year of more than 50 per cent compared with last year's total of 15p net.

Its taxable profits last year dimmed by 52 per cent to £9.4 million, due to the higher volume of business and improvement in premium rates — and despite an adverse currency movement of £1.5 million. The shares rose 15p to 418p yesterday.

Tunnel prospectus may be delayed

By Our City Staff

Lord Pennock, joint chairman of Eurotunnel, the Anglo-French consortium which won the Channel tunnel contract, will today try to allay fears that the project is facing delays.

He is expected to stress that the precise timing of the prospectus to raise the first £200 million of funding for the £6.2 billion project is not material to the overall timing of the project.

The prospectus to raise £200 million through a private institutional placing was expected to be published in its "red herring" form this month.

It may now not appear until September. Those close to the project said yesterday that the French, who will provide 35 per cent of the £200 million, tend to be on holiday in August. Many of the British institutional fund managers, who will provide an additional 35 per cent, are also away.

Eurotunnel is understood to want to settle all the preliminary arrangements with banks, railways and contractors before starting the funding process.

The contracts with con-



Lord Pennock: attempting to allay fears about timing

struction companies are thought to be reaching their final form, after delays working out the level of risk assumption by the various parties.

Mr John Franklin, of advising bank Morgan Grenfell, said yesterday that they were pleased with project's progress. "It is a large project and there is a lot to be done," he added.

The £200 million fund raising exercise will be followed next year by an £800 million equity raising from the public. This will not begin until the Parliamentary process is completed next summer.

N Sea oil prices fall again

By David Young Energy Correspondent

World oil prices continued their slide yesterday with North Sea crude being quoted at \$9.70 a barrel amid continuing reports of prices below \$7 a barrel for high quality Middle East crude.

The fall brings the prospect of lower petrol prices closer and will also lead to further pressure on industrial coal prices as the main users in the private sector — the chemical, paper-making and cement industries — are offered lower-priced, heavy fuel oil.

The price decline has also forced the Norwegian government to reconsider its taxation system on oil produced in its sector of the North Sea. At present royalties from oil from the leading Norwegian fields range from eight to 16 per cent with companies also paying a 35 per cent tax on profits derived from the North Sea.

The Norwegian government is now considering cutting the 35 per cent tax rate to 30 per cent in order to help companies maintain their exploration programmes in the face of falling revenues.

The British Government is already under pressure to bring forward the scheduled date for repayment of Advanced Petroleum Revenue Tax to help the smaller oil companies weather the present financial storm.

The pound fell yesterday, in response to the renewed weakness of oil prices. Sterling's drop, following the money supply figures on Tuesday, removed remaining City hopes for a cut in base rates.

This is despite the fact that inflation figures due today are expected to show a fall in the rate from 2.8 per cent in May to around 2.5 per cent last month.

The pound fell by 80 points to \$1.5170 against the dollar, and by more than three pence to DM3.2968 against the mark. The sterling index fell 0.6 to 74.9.

After the June money supply figures, showing a 1.25 per cent rise in sterling M3 and a £2.1 billion increase in bank lending, City analysts said that the prospect of lower base rates now rested with rate reductions in other countries.

Yesterday, Mr Satoshi Sumita, the Governor of the Bank of Japan, said in Tokyo that he saw no reason for a cut in the discount rate, currently 3.5 per cent.

Oil power shift, page 22



Sir John Clark: board unanimous on independence

Plessey squares up for big bid fight

By Cliff Feltham

Sir John Clark, Plessey's chairman, yesterday warned GEC that it faces a big battle if the Monopolies Commission gives it the go-ahead to renew its £1.2 billion takeover bid.

"The board is unanimous in its determination to protect and retain Plessey's independence," he told shareholders at the company's annual meeting.

He was also promised support from the Plessey workforce which yesterday reaffirmed its resistance to a GEC takeover and staged a protest march to 10 Downing Street.

Sir John, who quashed reports that he had held private talks with Lord Weinstock, the GEC chief, said Plessey's prospects as an independent company were good.

He said that new business plans should be generating £400 million sales in 1987-88 and £850 million by the end of the decade.

Sir John said that a combined Plessey-GEC group would mean that "it would become virtually impossible for the Ministry of Defence to obtain competitive tenders for naval and air defence radar systems except from abroad."

Sir John told shareholders: "We have no wish to become a conglomerate, still less part of a conglomerate." He said the Plessey business would be at risk if GEC took over.

In the City yesterday opinion was still divided over whether the Monopolies Commission — expected to hand its report over to the Secretary of State next week — will give GEC the green light.

Mr Alan Quinton, electronics analyst at W Greenwell, the stockbrokers, said: "The feeling is that GEC will get the go-ahead and will then make a bid although at the moment Plessey seems to be winning more of the public relations battle than GEC."

Mr Douglas Hawkins, analyst with James Capel, the brokers, was less sure about the outcome and even more doubtful whether GEC would be prepared to launch a takeover bid at Plessey's current market price.

"I don't think Lord Weinstock will be prepared to line the City's pockets with gold. He certainly will not want to pay anything like the current price," he said.

Posgate loses fight to lift ban

By Alison Eadie

Mr Ian Posgate, once dubbed the "Goldfinger" of the Lloyd's insurance market because of his underwriting success, has lost his appeal to be allowed to return to active underwriting.

Lord Wilberforce, the head of Lloyd's appeals tribunal, dismissed Mr Posgate's appeal against Lloyd's verdict that he was not a "fit and proper person" to do business in the market.

Lord Wilberforce said that, as the Council of Lloyd's had before it material upon which

Where are interest rates heading? Kenneth Fleet's column is on page 23

it could decide that Mr Posgate was not fit and proper, its decision was not unreasonable.

He said the only real issue was whether he should remit to the council specific matters raised by the appeals tribunal which the council had not considered, or ask the council to ignore specific matters which it had taken into account. Lord Wilberforce wrote in his decision: "I do not find any such matters can be identified."

The dismissal of his appeal appears to mark the end of Mr Posgate's four-year battle to return to Lloyd's. He said he was very sorry the appeal had failed.

Mr Posgate was suspended from active underwriting in 1982 after the Alexander Howden affair blew up. Alexander & Alexander Services, the American insurance company which took over Howden, alleged that \$55 million had gone missing from Howden managed insurance syndicates of which Mr Posgate was the underwriter.

Mr Posgate was accused but found not guilty by a Lloyd's disciplinary committee of misappropriating funds dishonestly, plundering a reinsurer company for his personal benefit and seriously falsifying group accounts. He was, however, found guilty of accepting a Pissarro painting as a bribe and of not declaring his stake in the Banque du Rhone et de la Tamise.

The disciplinary committee recommended Mr Posgate's expulsion from Lloyd's for life, but its verdict was overturned by Lord Wilberforce in an appeal in May 1985. Lord Wilberforce substituted a six-month suspension on Mr Posgate.

Mr Posgate was prevented from returning to work in the insurance market after his suspension expired because Lloyd's ruling council deemed him not to be a "fit and proper" person.

Timothy Aitken issues writ against former company

By Richard Lander

Mr Timothy Aitken, chairman of the TV-am company which is coming to the Unlisted Securities Market, has begun proceedings for libel against Aitken Hume International, the financial services group from which he resigned as chief executive in November.

The writ, issued last night by his solicitors, D.J. Freeman & Co., concerns a letter to shareholders written on Wednesday by Mr Tony Constantine, his successor at Aitken Hume, as part of the group's defence against a takeover bid by Mr Nick Oppenheim's Transwood Group.

The writ also covers a defence document issued last month.

The letter referred to Mr Aitken's acrimonious departure from Aitken Hume, which he ran with his cousin, Mr Jonathan Aitken, as well as

the resignation of the former finance director, Mr Michael Scorey, and the former property director, Mr John Kidd.

The letter also alleged overstatement of the value and profits of Aitken Hume's property interests in the company's previous accounts.

Mr Timothy Aitken's resignation, amid reports of a family feud with his cousin, marked the start of a tumultuous period for Aitken Hume. A sharp drop in interim profits was followed in May by the unwelcome all-paper bid by Mr Oppenheim, who has already received acceptances for just over 50 per cent of the company.

Shortly before the bid Prince Michael of Kent resigned as a non-executive director. Aitken Hume's results for the year to March 31, issued in last month's defence docu-

ment, showed an £8.95 million loss after extraordinary items compared with a £5.5 million profit in 1984-85.

Yesterday's defence letter restated Aitken Hume's continued opposition to Transwood on the grounds that the bid could result in the loss of NSR, its valuable US fund management subsidiary.

Most of NSR's independent directors, who under American law have to re-award the company's investment management contracts after a change of control, have come out against Transwood, although Mr Oppenheim hopes to change their minds at a meeting to be held soon in New York.

It was also announced yesterday that another Aitken Hume director, Mr Geoffrey Hyde, has resigned to take up another job in the United States.

Advertisement for Anglia Building Society. Features a large graphic of a hand holding a coin. Text: 'A rewarding plan. Enjoy extra-high interest from just £500 with Anglia's Capital Share 90. If you can invest £500 or more, we pay you 7.85% NET P.A. which compounds annually to an impressive 8.00% NET C.A.R.*' Includes contact information for Capital Share 90 and Anglia Building Society.

Balance of power shifts to oil companies

Market forces are emerging as a significant determinant of oil prices. However, among the other contenders for this role, the oil companies as a group may now have more flexibility to exert their influence than does the Organization of Petroleum Exporting Countries.

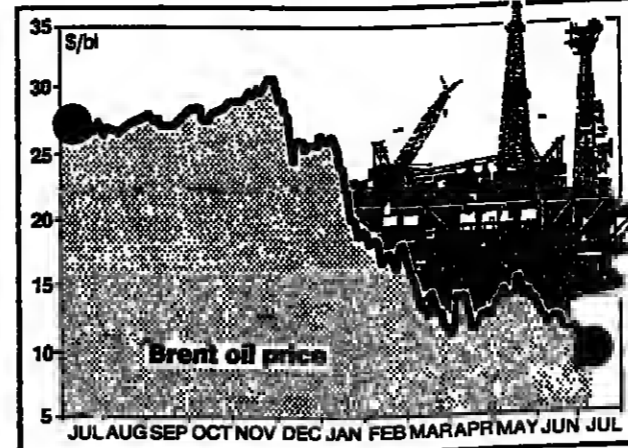
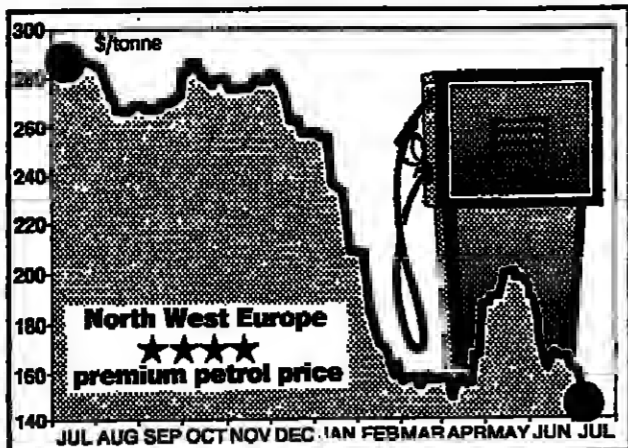
This perhaps surprising conclusion can be drawn from an examination of what has been happening to stocks

In classical economic theory, he who controls supply at the margin controls the price. Opec's grip on marginal oil supplies in 1974 combined with rising demand was the power base from which it was able to multiply the oil price.

The forces causing its subsequent slide were falling demand and the resultant gradual loss of control by Opec. As demand fell Opec became less able to cut its production back further until gradually it became virtually powerless to adjust supply at the margin.

However, in this supply and demand equation there was another element which is often underestimated, but which, in the light of what is happening now, assumes great significance. In the three years from 1981 to 1983, the oil companies ran their stocks down by an average of about 1 million barrels a day.

In 1984 and 1985, the destocking process continued at a slower rate, but was probably still close to 400,000 barrels a day. Inventory was therefore a significant source of oil supply during the last



five years. It was also, as Opec raised the oil price, the cheapest source.

Most important of all, it was under the control of the oil companies, and they drew stocks down most heavily in the winter months, the time of greatest demand. This smoothed out the seasonal fluctuations in the refinery's requirements from Opec and effectively gave the industry at least some control over the marginal barrel.

A resumption of Opec control is at the root of the

thinking of those who believe that the oil price will stabilize in the \$15 to \$18 a barrel range in the foreseeable future. This has been forecast to take place this autumn.

However, all the evidence points to the conclusion that Opec will not resume control in such a short time.

To begin with, it appears that the oil companies are stocking up on a massive scale. Oil is plentiful and cheap and storage tanks are empty. Output from Opec is at present estimated to be nearly

19 million barrels a day, a level which is almost certainly not justified by underlying demand and it is entirely possible that stocks are now being rebuilt at the rate of as much as 2 million barrels a day.

While no one can be sure what is happening to demand, it clearly is not rising as far or as fast as the fall in the price. Oil is still not significantly cheaper than other fuels in many of its uses. There is also a strong antipathy towards oil among consumers and there is

little appetite for switching back to what is seen as an unreliable energy source.

Compound this with the fact that the summer is a time of weak demand and it becomes clear that the underlying demand for Opec oil is probably not much more than 17 million barrels a day and the only reason Opec is able to produce at 19 million barrels a day at all, is because the industry is stocking up.

These replenished stocks will give the industry enormous flexibility. While there

Meanwhile, falling demand created a surplus of refineries, many of which had been built in expectation of rising demand. As these refineries were closed, their stocks were sold.

Those refineries which remained were modernized and upgraded, and as they became more efficient, lower stocks were needed to run them.

When the oil price was high, the industry ran its stocks down for several commercial reasons. Most pressing was the cost of holding unnecessary inventory when the sterling price was £30 and interest rates were a lot higher than they are now.

everything from petrol in petrol stations, fuel oil in power stations to domestic oil tanks.

When the oil price was high, the industry ran its stocks down for several commercial reasons. Most pressing was the cost of holding unnecessary inventory when the sterling price was £30 and interest rates were a lot higher than they are now.

When the oil price was high, the industry ran its stocks down for several commercial reasons. Most pressing was the cost of holding unnecessary inventory when the sterling price was £30 and interest rates were a lot higher than they are now.

Tidal barrages face snags on financing

By Derek Harris, Industrial Editor

Irrevocable decisions on the future of several energy-producing tidal barrages around Britain are still at least three years away.

This means that they will not test the present Government's sceptical approach to public sector spending where the private sector offers an apparent option.

So it was to some extent easy this week for Mr Peter Walker, Secretary of State for Energy, to give sufficient cash help to boost the investigations of tidal barrages on the Severn and the Mersey while also funding a fresh look at some smaller prospects including Morecambe Bay and the Wash.

But the arithmetic of the biggest of the barrage plans, which would throw a 10-mile causeway across the Severn at a cost of £5.5 billion, suggests that the rates of return on the sort of investment needed for such schemes are relatively modest, judged against what might be expected to attract untiotting private investment.

The Severn Tidal Power Group (STPG) estimates the rate of return at 7.4 per cent for a barrage between Cardiff and Weston-super-Mare. A less ambitious barrage further up river at Avonmouth is estimated to have a likely return of 7.7 per cent, although one of the difficulties with this siting could be extensive silting problems, one factor which led STPG to favour the Cardiff-Weston line.

The cost of the upper barrage (£1.1 billion) is only a fifth of the bigger one. On a Mersey barrage, which is smaller still at a projected cost of £450 million, the rate of return has been put at a minimum of 8 per cent.

The newly-launched Mersey Barrage Company has forecast that its project would be a money-maker. But it would expect substantial help from Economic Community sources at the construction stage.

The STPG is more guarded, suggesting that the rates of return on the Severn are too low for private sector financing without some Government support. Given the inherent risks allied to long lead times - it would be near the turn of the century before the Cardiff-Weston barrage would begin producing electricity for sale - private investors as the only source of finance would demand much higher rates of return, STPG argues.

Nobody is making a public estimate on what sort of rates of return that implies, but a good guess would seem to be between 12 and 14 per cent. It does not mean that rates need be as high as that for less ambitious schemes if only because the lead times are shorter. The Mersey barrage could be in operation by 1996 as plans now stand.

Clearly the funding problem might be tackled in several ways. There could be some form of underwriting by Government. There could be long-term contracts with the Central Electricity Generating Board, with Government backing, to offset risks of low oil prices cutting too far for comfort the going rate for buying in electricity.

It eventually, once the capital cost of setting up a barrage is paid off in 20 years or so, the running costs would be low and profits could run at several hundreds of millions pounds a year. As STPG has pointed out, a Cardiff-Weston barrage would be a large-scale national asset.

A recent inspection at the Rance barrage in Brittany, which has been in operation about 20 years, showed that its turbines were almost as good as when they were installed. But such a long timescale before equity investors could see a rich return is so far outside normal commercial experience, STPG pointed out.

What the STPG study makes clear is that it should be possible to produce electricity from a barrage at a cost equivalent to that of nuclear power stations, undercutting coal-fired station costs.

Various arguments are being put forward suggesting that the essential variability of tidally-produced power is a lesser problem than it has seemed.

When the government of the day eventually faces a decision on how to push barrage schemes forward there is a crucial factor beyond the attraction of a non-polluting source of power. Apart from the jobs arising during the construction phase there could be substantial job creation from barrage schemes because of tourism and other developments.

The Severn scheme could produce 30,000 long-term jobs, it is estimated. It would also provide a new road link between South Wales and England leading, it is claimed, to more industrial development.

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Harro's Industrial Editor

BASE
LENDING
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NOT A REDUCTION
INTEREST RATES

Confidence evaporates after dull performance on Wall Street

By Michael Clark

The London stock market started the day in a confident mood yesterday, showing investors the way forward and shaking off all the remaining ill-effects of this week's record-breaking fall. But confidence is a fragile commodity in the City these days and another dull performance on Wall Street during the first few hours of trading certainly left its mark.

Share prices may be in a nervous mood when trading resumes today.

Shareholders of Manganesse Bronze look set for a disappointment. The sale of the London Taxi International subsidiary, rumours of which lifted the shares from 52p to a high of 78p this year, is off. Manganesse is believed to have had a firm offer of £13 million, including the assumption of £6.5 million debt. Manganesse is capitalised at only £11.8 million, but the chairman and chief executive Mr Dennis Moore apparently wanted more.

The FT index of 30 shares was looking a little tired after hours and closed below its best levels of the day. Having been 12.5 up at 4 pm, its lead was reduced to 9.1 at 1.340.6 by the close. The broader-based FT-SE 100 was also looking anxious after seeing an earlier lead of 17.3 reduced to 12.1 at 1.626.7.

Dealers made the most of some better-than-expected figures from Thorn EMI, which hit 511p at one stage, before analysts had a closer look at them and decided they were not all they were cracked up to be. Dealers claimed that the company had been given a rough ride at the analysts' meeting after the figures, showing a £60 million loss

below the line. The shares eventually finished only 20p higher at 497p.

Early attempts at a rally by Government securities ended in failure. The market is still clearly disappointed by the latest money supply figures that were published on Tuesday, scrapping all hopes of an imminent cut in base rates. The continued weakness of the US bond market is also affecting sentiment. By the close, prices were about £¼ lower.

Among the leaders, British Telecom continued to rally following weakness earlier in the week on fears that a future Labour Government would nationalise the shares at a basic 130p. The group has now received news that its pricing structure is not to come under investigation by OfTel, the Government's watchdog for the telecommunications industry.

BT rose by 4p to 208p, after 212p. Some brokers claim the shares, which have fallen 30 per cent in recent weeks, are good value at these levels.

The property sector continues to buzz with speculation that a large bid is on the way. Yesterday, the speculators' money was resting on Property Holdings Investment Trust, up 8p at 145p. Marketmen are



talking of a bid of 160p a share from rival Greycoat Properties, unchanged at 212p.

The overall value of PHIT at £127 million.

Storebase, formed by the merger of British Home Stores and Habitat Mothercare, was a firm market 7p up at 333p. Last night, the group opened its latest Mothercare store in London's Knightsbridge and invited a number of retail analysts to attend. Some obviously thought they might have something interesting to say.

Bid hopes lifted Bestobell by 15p to 50p. There is growing speculation that BTR's 24 per cent stake may soon be up for grabs and that full bid for Bestobell will follow.

The big four high street clearing banks enjoyed their best performance in weeks as investors came in for the shares ahead of the interim-

dividend season. There is also talk that a bullish broker's circular may be on the way.

The whole sector has been under a cloud recently following the £700 million-plus rights issue from National Westminster in May. But now that has been absorbed by the market with only the minimum of blood letting, investors are starting to take a more favourable view towards the sector.

Barclays rose by 10p to 529p, after 532p, Midland 7p to 549p, after 552p, and National Westminster 7p to 519p. Lloyds stood out with a leap of 22p to 419p, still battling for control of Standard Chartered ahead of Saturday's closing date.

The Hong Kong-based entrepreneur, Sir Yue-Kong Pao has announced that he has acquired 8.41 million shares in Standard Chartered, or 5.4 per cent of the total. This follows Wednesday's news that his rival, the Malaysian-based businessman Tan Sri Khoo, had built up a stake of 5.04 per cent and is throwing his weight behind the Standard board.

Marketmen are starting to take the view that Lloyds' bid will fail. Standard shares lost ground after Lloyds' broker, Cazenove, withdrew from the

market on Wednesday night. The shares finished 28p lower at 774p.

In drinks, Guinness enjoyed a satisfying 10p rise to 343p after announcing that it planned to buy back some of its own shares for cancellation following this year's successful offer for Distillers.

It is paying £133.8 million for the 42.04 million shares, equivalent to 318p per Guinness share, allotted to Greatrand — a private holding company set up by

Oliver Resources, the USM-quoted exploration company, fell 1p to a new low of 9p yesterday, but there could be good news in the pipeline. Drilling in the Celtic Sea near Offshore Island on block 50/3, where Oliver has a 15 per cent stake, is going well. Several strikes have been made nearby and the operator Enterprise remains optimistic.

Guinness and Morgan Grenfell — and another £135.2 million, equivalent to 278p a share, for the 48.58 million shares bought by Morgan Grenfell on behalf of Guinness during the Distillers bid battle.

Among the smaller brewers, Belhaven Brewery rose by 3p to equal their year's high of 62p after learning that Mr Nazmu Virani, the chairman of the privately owned hotel and leisure company, Virani Group UK, had sold 4 million Belhaven shares (1.58 per cent) to Establisment Novedil, a Geneva-based company owned by the powerful Shoher family. This reduces Virani Group's holding in Belhaven to 2.32 million shares, or 9.06 per cent of the capital.

The rest of the brewers enjoyed early selective support, but failed to hold their best levels of the day. Allied firmed 2p to 343p, after 345p, Bass 7p to 775p and Scottish & Newcastle 2p to 199p, after 201p. Whitehead lost an early lead, to end 3p lighter on the day at 290p, while Grand Metropolitan lost 5p at 393p.

In the Unlisted Securities Market, shares of Midland Mart, the livestock market operator, leapt 38p to 183p after receiving an agreed bid of £6.8 million from Oyston, Britain's biggest privately-owned estate agency business.

Oyston is offering 180p in cash for each Midland share and the board of Midland are urging shareholders to accept. The group joined the USM in 1980.

COMMENT Kenneth Fleet

Pound casts shadows over interest rates

It is a testing time for those who believe that the sterling exchange rate against the currencies of the European Monetary System is an important element in the assessment of monetary conditions. Yesterday the pound fell below DM3.30, thought of by many as the lower limit of sterling's unofficial EMS band.

And, taken in combination with Tuesday's better, but still very bad, money supply figures, this latest development could have nasty consequences.

Inflation figures, due today, should show a rate, measured by the retail prices index, of around 2.5 per cent last month. Other things being equal, interest rates might follow inflation down, but they are not equal. This new and worrying indicator of monetary conditions could "fix" interest rates at present levels, or worse.

Before considering this possibility it is important to bear in mind what "shadowing the EMS" means. The dollar, undergoing its own correction, is clearly not a suitable touchstone for British monetary policy. A rise in the pound against the dollar, or a fall as happened yesterday, says nothing about the tightness or otherwise of policy here.

The dollar's value is clearly a major influence on the sterling index: what was needed was a measure of the

pound's average value excluding the dollar. This meant, more or less, the EMS currencies or, in shorthand, the sterling-mark exchange rate.

So is yesterday's fall to DM3.29 a sign that all that liquidity sloshing around the system has begun to leave for the continent for its summer holiday? Perhaps, but there is an additional complicating factor.

With Brent crude below \$10 a barrel, the oil price — ignored for many months — is again news for the financial markets. And the sterling-mark exchange rate has shown itself highly sensitive to oil prices, at least during those periods when the foreign exchange dealers take oote of what their counterparts on the Rotterdam spot market are doing.

Even if oil temporarily consigns the pound's value against the EMS currencies to the file of difficult-to-interpret monetary indicators, the gilt market and the money markets have now more or less given up on lower base rates.

Whether it was the rejection of a discount rate cut by Bank of Japan governor Satoshi Sumita, or the pound's increasingly wobbly appearance, traders decided yesterday afternoon that, for the time being, the game was up.

It is a view, as things stand, with which it is hard to quarrel.

Mourning becomes Electra

Investors in the Electra Risk Capital fund said yesterday that they were "bitterly resigned" after the annual meeting where it was revealed that two-thirds of the value of their investment had been lost.

The fund was launched in 1981 by Electra Risk Capital, a subsidiary of the Electra Investment Trust, under the terms of the Business Start-Up Scheme which allowed investors tax relief on investment to certain unquoted companies.

The half-year report to June 27, 1986, published yesterday, shows that of the 32 unquoted companies invested in by the fund, only 12 are still trading. The remainder have generally been sold for nominal amounts or have gone into liquidation.

This means that of the total of £8.68 million invested by Electra Risk Capital, whose board earlier included Sir Terence Conran, chairman of Storehouse, and Robert Gavroo, chairman of the St Ives Group, only £3.3 million remains. Investors' shares, which were divided into "master shares" of £2,500 each, are now valued in the report at £785.92.

Of course, investors did qualify for tax relief of up to 75 per cent of their investment and the managers coo-

sider that there are a couple of potential stars left in the 12 remaining companies. Nevertheless, one is left wondering how, with Electra's reputation for investment in unquoted companies — and with such blue chip names on the board — so many wroog judgements were made.

Some investors voiced their dissatisfaction after yesterday's meeting with the amount of information provided by the managers — with just cause. The report provides far too little historical information, but it cannot disguise the fact that the second fund launched by Electra invested in a number of the doomed companies in the first fund.

Michael Stoddart, the chairman of Electra Management, which now manages the Electra funds, denies that the second fund was used to prop up ailing companies. He said: "We had a genuine belief that with additional capital they would have gone well."

For the record, both Electra funds invested a total of £360,000 in a company called Zealand Frozen Products, which had been rejected by other venture capitalists who had reservations about the management. The investment has been sold for about £23,000.

RECENT ISSUES

Company	Price	Change
Accord Pub (125p)	150	+2
Alumina (150p)	113	0
Antifer (130p)	178	0
Arlington (115p)	213	+5
Ashey (L) (105p)	89	0
BBS Design (67p)	140	0
Beaverco (145p)	152	0
Bigel (374p)	148	+8
Bordand (125p)	148	+8
Brodero (145p)	98	0
Campbell Armstrong (110p)	132	0
Chelsea Man (125p)	153	+1
Clarke Hooper (130p)	84	0
Coated Electrodes (84p)	65	0
Denstron (58p)	65	0

Company	Price	Change
Evans Halesnew (20p)	117	0
Feldis (140p)	153	0
Guthrie Corp (150p)	141	0
Haggas (J) (140p)	133	0
Haggas (K) (140p)	133	0
Loxer (145p)	115	0
Manotype (57p)	156	-2
Morgan Grenfell (500p)	480	+14
Shield (72p)	113	0
Smithson (185p)	175	+1
Soundtracks (40p)	175	+1
Task Force (45p)	114	0
Templeton (215p)	225	+2
Tony King (120p)	127	+1
Thames TV (190p)	222	+3
Tibbet & Britan (120p)	126	+2

RIGHTS ISSUES

Company	Price	Change
Aman F/P	104	0
Antofagasta N/P	125-25	0
Boase Masami F/P	25-3	0
Da La Rue N/P	155	+15
Eskona Hse N/P	9	0
Five Oaks F/P	66	+1
Joseph Johnson N/P	11	0
Int Signal N/P	48	+3
Leigh Interest N/P	1	0
Pinapple N/P	1	0
High Collins N/P	230	+15

LONDON FINANCIAL FUTURES

Contract	Open	High	Low	Close	Est Val
Three Month Sterling	90.45	90.46	90.23	90.34	4222
Sep 86	90.45	90.46	90.23	90.34	4222
Dec 86	90.45	90.46	90.23	90.34	1072
Mar 87	90.45	90.46	90.23	90.34	73
Jun 87	90.45	90.46	90.23	90.34	73
Sep 87	N/T	N/T	N/T	N/T	0
Dec 87	N/T	N/T	N/T	N/T	0
Mar 88	N/T	N/T	N/T	N/T	0
Jun 88	N/T	N/T	N/T	N/T	0
Sep 88	N/T	N/T	N/T	N/T	0
Dec 88	N/T	N/T	N/T	N/T	0
Mar 89	N/T	N/T	N/T	N/T	0
Jun 89	N/T	N/T	N/T	N/T	0
Sep 89	N/T	N/T	N/T	N/T	0
Dec 89	N/T	N/T	N/T	N/T	0
Mar 90	N/T	N/T	N/T	N/T	0
Jun 90	N/T	N/T	N/T	N/T	0
Sep 90	N/T	N/T	N/T	N/T	0
Dec 90	N/T	N/T	N/T	N/T	0
Mar 91	N/T	N/T	N/T	N/T	0
Jun 91	N/T	N/T	N/T	N/T	0
Sep 91	N/T	N/T	N/T	N/T	0
Dec 91	N/T	N/T	N/T	N/T	0
Mar 92	N/T	N/T	N/T	N/T	0
Jun 92	N/T	N/T	N/T	N/T	0
Sep 92	N/T	N/T	N/T	N/T	0
Dec 92	N/T	N/T	N/T	N/T	0
Mar 93	N/T	N/T	N/T	N/T	0
Jun 93	N/T	N/T	N/T	N/T	0
Sep 93	N/T	N/T	N/T	N/T	0
Dec 93	N/T	N/T	N/T	N/T	0
Mar 94	N/T	N/T	N/T	N/T	0
Jun 94	N/T	N/T	N/T	N/T	0
Sep 94	N/T	N/T	N/T	N/T	0
Dec 94	N/T	N/T	N/T	N/T	0
Mar 95	N/T	N/T	N/T	N/T	0
Jun 95	N/T	N/T	N/T	N/T	0
Sep 95	N/T	N/T	N/T	N/T	0
Dec 95	N/T	N/T	N/T	N/T	0
Mar 96	N/T	N/T	N/T	N/T	0
Jun 96	N/T	N/T	N/T	N/T	0
Sep 96	N/T	N/T	N/T	N/T	0
Dec 96	N/T	N/T	N/T	N/T	0
Mar 97	N/T	N/T	N/T	N/T	0
Jun 97	N/T	N/T	N/T	N/T	0
Sep 97	N/T	N/T	N/T	N/T	0
Dec 97	N/T	N/T	N/T	N/T	0
Mar 98	N/T	N/T	N/T	N/T	0
Jun 98	N/T	N/T	N/T	N/T	0
Sep 98	N/T	N/T	N/T	N/T	0
Dec 98	N/T	N/T	N/T	N/T	0
Mar 99	N/T	N/T	N/T	N/T	0
Jun 99	N/T	N/T	N/T	N/T	0
Sep 99	N/T	N/T	N/T	N/T	0
Dec 99	N/T	N/T	N/T	N/T	0
Mar 00	N/T	N/T	N/T	N/T	0
Jun 00	N/T	N/T	N/T	N/T	0
Sep 00	N/T	N/T	N/T	N/T	0
Dec 00	N/T	N/T	N/T	N/T	0
Mar 01	N/T	N/T	N/T	N/T	0
Jun 01	N/T	N/T	N/T	N/T	0
Sep 01	N/T	N/T	N/T	N/T	0
Dec 01	N/T	N/T	N/T	N/T	0
Mar 02	N/T	N/T	N/T	N/T	0
Jun 02	N/T	N/T	N/T	N/T	0
Sep 02	N/T	N/T	N/T	N/T	0
Dec 02	N/T	N/T	N/T	N/T	0
Mar 03	N/T	N/T	N/T	N/T	0
Jun 03	N/T	N/T	N/T	N/T	0
Sep 03	N/T	N/T	N/T	N/T	0
Dec 03	N/T	N/T	N/T	N/T	0
Mar 04	N/T	N/T	N/T	N/T	0
Jun 04	N/T	N/T	N/T	N/T	0
Sep 04	N/T	N/T	N/T	N/T	0
Dec 04	N/T	N/T	N/T	N/T	0
Mar 05	N/T	N/T	N/T	N/T	0
Jun 05	N/T	N/T	N/T	N/T	0
Sep 05	N/T	N/T	N/T	N/T	0
Dec 05	N/T	N/T	N/T	N/T	0
Mar 06	N/T	N/T	N/T	N/T	0
Jun 06	N/T	N/T	N/T	N/T	0
Sep 06	N/T	N/T	N/T	N/T	0
Dec 06	N/T	N/T	N/T	N/T	0
Mar 07	N/T	N/T	N/T	N/T	0
Jun 07	N/T	N/T	N/T	N/T	0
Sep 07	N/T	N/T	N/T	N/T	0
Dec 07	N/T	N/T	N/T	N/T	0
Mar 08	N/T	N/T	N/T	N/T	0
Jun 08	N/T	N/T	N/T	N/T	0
Sep 08	N/T	N/T	N/T	N/T	0
Dec 08	N/T	N/T	N/T	N/T	0
Mar 09	N/T	N/T	N/T	N/T	0
Jun 09	N/T	N/T	N/T	N/T	0
Sep 09	N/T	N/T	N/T	N/T	0
Dec 09	N/T	N/T	N/T	N/T	0
Mar 10	N/T	N/T	N/T	N/T	0
Jun 10	N/T	N/T	N/T	N/T	0
Sep 10	N/T	N/T	N/T	N/T	0
Dec 10	N/T	N/T	N/T	N/T	0
Mar 11	N/T	N/T	N/T	N/T	0
Jun 11	N/T	N/T	N/T	N/T	0
Sep 11	N/T	N/T	N/T	N/T	0
Dec 11	N/T	N/T	N/T	N/T	0
Mar 12	N/T	N/T	N/T	N/T	0
Jun 12	N/T	N/T	N/T	N/T	0
Sep 12	N/T	N/T	N/T	N/T	0
Dec 12	N/T	N/T	N/T	N/T	0
Mar 13	N/T	N/T	N/T	N/T	0
Jun 13	N/T	N/T	N/T	N/T	0
Sep 13	N/T	N/T	N/T	N/T	0
Dec 13	N/T	N/T	N/T	N/T	0
Mar 14	N/T	N/T	N/T	N/T	0
Jun 14	N/T	N/T	N/T	N/T	0
Sep 14	N/T	N/T	N/T	N/T	0
Dec 14	N/T	N/T	N/T	N/T	0
Mar 15	N/T	N/T	N/T	N/T	0
Jun 15	N/T	N/T	N/T	N/T	0
Sep 15	N/T	N/T	N/T	N/T	0
Dec 15	N/T	N/T	N/T	N/T	0
Mar 16	N/T	N/T	N/T	N/T	0
Jun 16	N/T	N/T	N/T	N/T	0
Sep 16	N/T	N/T	N/T	N/T	0
Dec 16	N/T	N/T	N/T	N/T	0
Mar 17	N/T	N/T	N/T	N/T	0
Jun 17	N/T	N/T	N/T	N/T	0
Sep 17	N/T	N/T	N/T	N/T	0
Dec 17	N/T	N/T	N/T	N/T	0
Mar 18	N/T	N/T	N/T	N/T	0
Jun 18	N/T	N/T	N/T	N/T	0
Sep 18	N/T	N/T	N/T	N/T	0

THE TIMES UNIT TRUST INFORMATION SERVICE

Main table containing unit trust information, organized into columns for various categories like 'UNIT TRUST MANAGERS', 'INVESTMENT TRUSTS', and 'UNLISTED SECURITIES'. Each entry includes fund names, managers, and performance metrics.

UNLISTED SECURITIES

Table of unlisted securities with columns for company name, price, and other financial details.

INVESTMENT TRUSTS

Table of investment trusts with columns for company name, price, and other financial details.

FINANCIAL TRUSTS

Table of financial trusts with columns for company name, price, and other financial details.

COMMODITIES

Table of commodities with columns for item name, price, and other financial details.

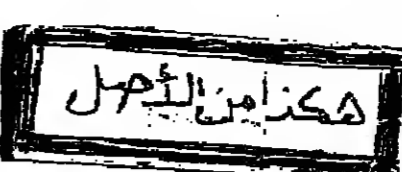
Vertical advertisement on the right side of the page, featuring 'Purific Gold' and 'BANKS DISCOUNT' with various promotional text and graphics.

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ACCOUNT DAYS: Dealings began June 30. Dealings end today. \$Contango day next Monday. Settlement day July 21.
\$Forward bargains are permitted on two previous business days.

No.	Company	Group	Close	High	Low	Open	Close	%	P/E
1	AE	Motor/Aircraft	245	248	242	245	245	+1.6	8.1
2	Transport Dev	Industrial S-Z	142	145	138	142	0	12.5	
3	Turner & Newall	Industrial S-Z	142	145	138	142	0	12.5	
4	Summiton Grp	Industrial S-Z	142	145	138	142	0	12.5	
5	Br Car Auction	Motor/Aircraft	142	145	138	142	0	12.5	
6	Fininvest	Motor/Aircraft	142	145	138	142	0	12.5	
7	Balrock	Industrial A-D	142	145	138	142	0	12.5	
8	Freemove Hldgs	Industrial A-D	142	145	138	142	0	12.5	
9	Chamberlain Ph	Industrial A-D	142	145	138	142	0	12.5	
10	Croda	Chemicals/Plas	142	145	138	142	0	12.5	
11	BBP Industries	Building/Roads	142	145	138	142	0	12.5	
12	Griffes Peat	Bank/Discount	142	145	138	142	0	12.5	
13	Arnelliff	Building/Roads	142	145	138	142	0	12.5	
14	RMC	Building/Roads	142	145	138	142	0	12.5	
15	Fife An Dev	Drapery/Stores	142	145	138	142	0	12.5	
16	Leigh	Chemicals/Plas	142	145	138	142	0	12.5	
17	Rothschild (H) Hld	Bank/Discount	142	145	138	142	0	12.5	
18	DeWaters 'A'	Electricals	142	145	138	142	0	12.5	
19	Forst & Spencer	Drapery/Stores	142	145	138	142	0	12.5	
20	Ferris (Main)	Drapery/Stores	142	145	138	142	0	12.5	
21	Colbury Schweppes	Foodstuffs	142	145	138	142	0	12.5	
22	Royal Bact	Electricals	142	145	138	142	0	12.5	
23	Boulton (Wm)	Industrial A-D	142	145	138	142	0	12.5	
24	Argyll	Foodstuffs	142	145	138	142	0	12.5	
25	Wimpey (Group)	Building/Roads	142	145	138	142	0	12.5	
26	Coats (Farm) 'A'	Drapery/Stores	142	145	138	142	0	12.5	
27	Morris	Industrial L-R	142	145	138	142	0	12.5	
28	Cherco Cons	Industrial A-D	142	145	138	142	0	12.5	
29	Norcor	Industrial L-R	142	145	138	142	0	12.5	
30	Glanfield Lawrence	Motor/Aircraft	142	145	138	142	0	12.5	
31	First Nat Finance	Bank/Discount	142	145	138	142	0	12.5	
32	Belvedere	Breweries	142	145	138	142	0	12.5	
33	Bank Bros	Bank/Discount	142	145	138	142	0	12.5	
34	Goldring (A)	Drapery/Stores	142	145	138	142	0	12.5	
35	Sound Diffusion	Electricals	142	145	138	142	0	12.5	
36	GKN	Industrial E-K	142	145	138	142	0	12.5	
37	Centenary Ind	Industrial A-D	142	145	138	142	0	12.5	
38	Noble & Lord	Industrial L-R	142	145	138	142	0	12.5	
39	McKillop (A&L)	Property	142	145	138	142	0	12.5	
40	Ampal	Oil	142	145	138	142	0	12.5	
41	Amalgam Paper	Paper/Print/Adv	142	145	138	142	0	12.5	
42	Central Sec	Property	142	145	138	142	0	12.5	
43	Ensign	Oil	142	145	138	142	0	12.5	
44	Evans Of Leach	Property	142	145	138	142	0	12.5	
45	Times Newspapers Ltd	Daily Total	142	145	138	142	0	12.5	

Please be sure to take account of any minus signs

Weekly Dividend

Please make a note of your daily totals for the weekly dividend of £8,000 in tomorrow's newspaper.

MON	TUE	WED	THU	FRI	SAT	SUN	Total

BRITISH FUNDS

1986 High	Low	Stock	Price	Change	Yield	Div.	Yield

SHORTS (Under Five Years)

1986 High	Low	Stock	Price	Change	Yield	Div.	Yield

FIVE TO FIFTEEN YEARS

1986 High	Low	Stock	Price	Change	Yield	Div.	Yield

OVER FIFTEEN YEARS

1986 High	Low	Stock	Price	Change	Yield	Div.	Yield

UNDATED

1986 High	Low	Stock	Price	Change	Yield	Div.	Yield

INDEX-LINKED

1986 High	Low	Stock	Price	Change	Yield	Div.	Yield

BANKS DISCOUNT HP

1986 High	Low	Stock	Price	Change	Yield	Div.	Yield

BREWERIES

1986 High	Low	Company	Price	Change	Yield	Div.	Yield

BUILDING AND ROADS

1986 High	Low	Company	Price	Change	Yield	Div.	Yield

FINANCE AND LAND

1986 High	Low	Company	Price	Change	Yield	Div.	Yield

FOODS

1986 High	Low	Company	Price	Change	Yield	Div.	Yield

HOTELS AND CATERERS

1986 High	Low	Company	Price	Change	Yield	Div.	Yield

CINEMAS AND TV

1986 High	Low	Company	Price	Change	Yield	Div.	Yield

DRAPERY AND STORES

1986 High	Low	Company	Price	Change	Yield	Div.	Yield

INDUSTRIALS A-D

1986 High	Low	Company	Price	Change	Yield	Div.	Yield

ELECTRICALS

1986 High	Low	Company	Price	Change	Yield	Div.	Yield

L-M

1986 High	Low	Company	Price	Change	Yield	Div.	Yield

E-K

1986 High	Low	Company	Price	Change	Yield	Div.	Yield

INSURANCE

1986 High	Low	Company	Price	Change	Yield	Div.	Yield

LEISURE

1986 High	Low	Company	Price	Change	Yield	Div.	Yield

MINEING

1986 High	Low	Company	Price	Change	Yield	Div.	Yield

L-R

1986 High	Low	Company	Price	Change	Yield	Div.	Yield

INDUSTRIALS A-D

1986 High	Low	Company	Price	Change	Yield	Div.	Yield

S-Z

1986 High	Low	Company	Price	Change	Yield	Div.	Yield

OVERSEAS TRADERS

1986 High	Low	Company	Price	Change	Yield	Div.	Yield

PAPER, PRINTING, ADVERT'G

1986 High	Low	Company	Price	Change	Yield	Div.	Yield

PROPERTY

1986 High	Low	Company	Price	Change	Yield	Div.	Yield

SHIPPING

1986 High	Low	Company	Price	Change	Yield	Div.	Yield

SHOES AND LEATHER

1986 High	Low	Company	Price	Change	Yield	Div.	Yield

TEXTILES

1986 High	Low	Company	Price	Change	Yield	Div.	Yield

MOTORS AND AIRCRAFT

1986 High	Low	Company	Price	Change	Yield	Div.	Yield

NEWSPAPERS AND PUBLISHERS

1986 High	Low	Company	Price	Change	Yield	Div.	Yield

OIL

1986 High	Low	Company	Price	Change	Yield	Div.	Yield

TOBACCO

1986 High	Low	Company	Price	Change	Yield	Div.	Yield

NEWSPAPERS AND PUBLISHERS

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TOBACCO

1986 High	Low	Company	Price	Change	Yield	Div.	Yield

NEWSPAPERS AND PUBLISHERS

1986 High	Low	Company	Price	Change	Yield	Div.	Yield
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YOUR OWN BUSINESS

Shell shows the way, says BIC

By Derek Harris

A new attempt to tackle the equity gap for small businesses in search of only modest backing is being mounted by Business in the Community (BIC) but with a special emphasis on helping the especially small businesses. These are the ones needing only a few thousand pounds.

Sir Raymond Potter, the former chairman of the Halifax Building Society who has chaired a BIC working party on support for small businesses, believes the Shell scheme should prove successful. He argues that it should be more widely copied and backed by complementary local authority schemes. That, he added, "would go a long way towards closing, effectively and efficiently, the funding gap."

A BIC survey showed that for most of those going to enterprise agencies for help, their greatest difficulty was in finding especially small amounts of capital of £2,000 or less.

The working party came up with a number of action ideas. There will be discussions with credit unions on providing loans as an extension of their largely personal expenditure lending to ethnic minorities.

The banks are also to be pressed to use the Government's Loan Guarantee Scheme for loans of less than £5,000. Enterprise agencies have offered to help with monitoring so as to reduce banks' otherwise onerous administration cost for such small loans.

BIC is also looking to local authorities to help with small loans, as well as changes to the Business Expansion Scheme to make it easier for localised BES syndicates to be established by enterprise agencies.

Pinball wizards hit the jackpot

By Roger Pearson

As young men, Jim Crompton and his late brother Alf bought an old, broken down pin table for five shillings. While working in the kitchen at the rear of their mother's London fish and chip shop in Acton they stripped it down and restored it to working order, and found a customer to buy it for £1.

That low key entry into the world of amusement trade provided the foundation for a business which today, many years later on, has established the Crompton name on a world wide basis. For the past 30 years the Crompton family have played a major role in shaping the international amusement machine manufacturing industry by providing a string of best selling machines.



Jim Crompton (right) with his son Gordon and their award winning machine 'Klondike'

Over the past quarter of a century customers in countries from America to Japan and all over the UK, have provided a constant demand for Crompton machines. Some 25,000 have been sold in all ranging from single player machines to one giant which offered 20 play positions.

It is close to impossible to enter any of the UK's 2,000 or so amusement arcades and not find a Crompton machine. They have a reputation for lasting and some 20 year old machines are still in daily operation.

Today the business is run by Jim Crompton and his son Gordon - Alf Crompton died 20 years ago - and is based at two factories at Ramsgate, Kent. Between them they offer 15,000 square feet of production and administrative

floor space and provide work for a staff of 40. The company, which currently has five different models on the production line, one of them a British Amusement Catering Trades Association exhibition award winner, exports to at least 25 different countries of which Japan and the US are the major sales sources. Around 75 per cent of sales today are to overseas customers.

The company turnover at present is about £1.5 million. With diversification in the form of new style machines in development in the company's design and work shop, plus an assembly under licence deal with a Belgian amusement machine company, Crompton sales and turnover graph shows a constant upwards swing.

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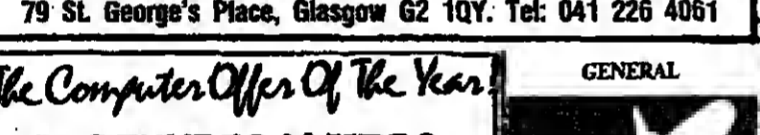


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BRIEFING

The Union of Independent Companies, whose national president is the assiduous Bill Peaton, at its national council meeting this week decided to amend its rules so it can more directly lobby directors of the EEC. This reflects the UIC belief that smaller businesses could gain a lot from the activities of the EEC, notably its competition directives.

But Barry Baldwin, UIC's national chairman, made another appeal for the Government to bring in legislation to protect small businesses from big corporate predators. He said: "Some substantial corporate groups are getting fat on not fair, competition policy in a shambles and we have to look to the EEC for powerful legislative sanctions."

It has also floated the idea of a net worth investment scheme which would value an investor's shares in a smaller business according to the net worth of the business. For the borrower it should mean cheap cash at the start while the investor would gain as the net worth of the business grew, UIC says.

The Advisory Committee on Telecommunications for Small Businesses (BACT) has published the first of a series of small booklets to help those who run small businesses to become more familiar with the liberalized communications market.

The free pamphlet - Does your Business Need a New Telephone System - assesses the benefits of new types of apparatus and services.

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MR FRIDAY



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Triumph, then the doubts

Japan is a country which prizes conformity among ordinary mortals. Its politicians like to be more individual. And in Mr Yasuhiro Nakasone it seems to have found an individual performer *par excellence*.

He is a new phenomenon in Japanese politics: an image politician who knows how to exploit his strengths and who, for the moment, seems immune from the effects of his weaknesses.

His leadership of the Liberal Democratic Party (LDP) to an overwhelming majority in the general elections this week was a remarkable triumph for a Prime Minister whose domestic political record has been less happy than that in foreign affairs.

The appearance of the so-called "new leaders" campaigning hard to improve their chances of succeeding Mr Nakasone undoubtedly

Scepticism about the PM's claims

helped the party overall. But the election was largely a referendum on the conduct of the LDP and of its leader over the period since he became Prime Minister in 1982.

Even if the ruling party had not wished it thus, the opposition parties, and particularly Mr Masashi Ishibashi of the Socialist Party, made Mr Nakasone an election issue by constant references to the way the elections were called and his disbelief of Mr Nakasone's claims that he would not increase taxes after the election.

Less than a week before the double elections were announced it looked as though Mr Nakasone would not only

have to give up what turned out to be an inspired idea but could not expect to extend his term of office as Prime Minister beyond October. Even as the campaign began, the opposition were calling him a liar for having engineered the double poll while giving the impression he had no such intention. The charges of duplicity seemed to be finding their mark on a politician who already had a reputation as a "weathervane".

His consistently high standing with the public allowed him to get away with a lot that his rivals could not, but no one predicted the scale of the party's electoral triumph.

In any Western democracy Mr Nakasone would now be assured of another term as Prime Minister, with a grateful party willing to give him almost anything he asked. But Japanese politics is not that simple and the election has, if anything, strengthened the position of at least one of his rivals for the prime ministership.

The election brought back into the fold many LDP members who failed at the last election, many who owe their support to the Tanaka faction. Though Mr Kakuei Tanaka played no immediate role in the election after his stroke last year, his faction, money and influence are still the most formidable in the party. The Tanaka faction added another 20 members, most of whom will be supporting Mr Noboru Takeshita, the finance minister, to take over the prime ministership.

Mr Nakasone's own faction increased from 49 to 60 but, though Mr Tanaka was his original patron in acquiring the LDP leadership, he cannot count on much support from that quarter now, unless there



Victory smile: Yasuhiro Nakasone dots the eye of a lucky daruma doll after his party's biggest-ever election win. The Liberal Democrats took 304 of 512 seats in the Lower House and 74 of 126 in the Upper House

is an overwhelming groundswell in the party for his continuance in office.

If he is to stay, he must enlist support from the other leading factions within the party. These are led by two former Prime Ministers, Mr Zenko Suzuki and Mr Takeo Fukuda, and Mr Toshio Komoto.

A public wish for more of the same

Mr Suzuki and Mr Fukuda can muster 59 and 56 supporters respectively. Both have their own factional candidates for the premiership and neither has any great love for Mr Nakasone.

Will they throw their support behind Mr Nakasone for an extension of his term or a change in the party rules to allow him a third term?

Mr Suzuki would like to see his protégé, the former foreign minister, Mr Kiichi Miyazawa, as Prime Minister and Mr Fukuda has his money on the present foreign minister, Mr Shintaro Abe. In order for Mr Nakasone to win an extension or a third term, significant support must come

from the Suzuki and Fukuda factions.

If there is a third term for Mr Nakasone, it will signal what the public response to him is already indicating: that the Japanese public at least is

happy with a forceful, decisive leader who will reflect the country's standing in the world. The record shows that a strong Japanese leader is usually followed by a weaker, less decisive one but when the public went to the polls they knew that the Nakasone era could last only until October according to the present rules, and therefore the resounding vote of support for Mr Nakasone seems to indicate that the public at large wants more of the same.

Whether the bureaucracy and the rest of the party sees it the same way is another question.

Mr Nakasone is the sort of Japanese leader with whom

foreign nations feel they can deal: he tells them what they want to hear and gives every impression of being determined to carry out his promises. But it is precisely his predilection for making promises over the heads of the bureaucracy and even members of his own party which makes him less popular with some at home.

Because of this, Mr Nakasone has built up a fund of resentment against him in certain quarters, resentment that may now make his path to an extension or a third term difficult, if not impossible.

For many people's taste Mr Nakasone is already too sure of himself, already too prompt to claim a party success as his own. If he wants a third term he must tread carefully.

Mr Nakasone's appeal to the public from the campaign trail that he be allowed to finish his programme of reform will probably provide the avenue for the continuation of his tenure. This autumn the Diet (parliament) must tackle its most complex

piece of legislation for some time: a bill to provide for the privatization of the Japanese National Railways.

This is likely to be a contentious piece of lawmaking which most probably will last until at least October, when Mr Nakasone's term of office as party president expires. If the party finds itself in the middle of bargaining on this issue it would not be a propitious time to be diverted into a search for a new leader of the party, especially if there is no paramourly obvious successor.

In that case there will be a strong argument for the extension of Mr Nakasone's term at least until the end of the year and most probably beyond that. By that time the need for the LDP to increase taxes may become so pressing that the other contenders may be only too happy to leave such a distasteful task to a man who seems to be able to dose the electorate with strong medicine and get away with it.

David Watts

Economic miracle in need of bad habits

This year is turning out to be a watershed for the Japanese economy. In the last few months there has been a growing realization that radical changes have to take place if it is to continue on the path of rapid expansion.

The phenomenal success of export-led growth was good while it lasted. But, faced with the threat of a brick wall of American protectionism, Japan has started to change.

In April, the special commission on the economy appointed by Yasuhiro Nakasone, the Prime Minister, produced its report. The group, under the chairmanship of Haruo Maekawa, former governor of the Bank of Japan, called for the introduction of some western bad habits in Japan, including shorter working hours and longer holidays, to increase spending on leisure.

This was part of what the commission described as the need for "a historical transformation in traditional policies on economic management and the nation's lifestyle." That transformation has as its main goal the reduction of the enormous current surplus, estimated by the Organization for Economic Co-operation and Development to reach a record \$76.2 billion (about \$51 billion) this year, compared with \$49 billion in 1985.

The commission recommended a series of measures to stimulate domestic demand, including tax incentives for house-building and non-residential property construction; reforming the system of tax relief on small savings, the *maruyari*, which helps produce a high ratio of saving to income in Japan; and boosting public spending on the infrastructure.

And, to ensure that a significant proportion of this extra domestic demand goes into imports, the commission proposed positive discrimination in their favour, including the

New measures to stimulate demand

promotion of a more efficient distribution system within Japan and stricter penalties against companies unfairly keeping out imports.

The Maekawa report was followed the next day by what has become a familiar feature in Japan during the last two years - economic packages which simultaneously provide a small boost to the economy and launch some new programme to encourage imports.

However, because Mr Nakasone and Noboru Takeshita, his finance minister, are constrained by the target of reducing reliance on so-called deficit-financing bonds by 1990, the boosts to the economy have been small. The drop in world oil prices, while on the face of it a straightforward boon for Japan, has not been generally welcomed. It has added to the already embarrassingly large trade surplus and, in the view of some local experts, threatens to reverse the process of reducing reliance on imported oil.

The programme of producing a gradual shift in the economy away from export reliance to a great extent, been usurped by the year's sharp rise since last year. The yen-dollar exchange rate, 250 last year, has fallen as low as 160 during the past few weeks, an appreciation of more than 55 per cent.

The pain has been considerable, particularly for small and medium-sized companies which, unlike their bigger brothers, cannot easily absorb a plunge in export orders and profitability. At the end of May the government announced special assistance for small and medium-sized export businesses.

The difficulty is that the drop in exports, in both volume and yen terms, is not coming through in the trade figures. Because Japan's trade is denominated, both in practice

Continued next page, col. 4

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FOCUS

JAPAN/2

A yen for freedom in Tokyo

The drive to open Japan to the rest of the world has not been confined to the market for Western consumer products. Moves to liberalize the Japanese financial system have been progressing for a number of years.

In parallel with this, a policy of internationalizing the yen has been pursued to give the yen a place in the international monetary system commensurate with Japan's importance, both as an economic power and the world's biggest capital exporter.

As with many things Japanese, the pace of liberalization and internationalization has looked, at least to outsiders, painfully slow. But, as for trade issues, Japan has had to learn to respond to pressure from overseas.

Already this year the Ministry of Finance has broken the deadlock in a long-running dispute with the Bank of England over securities licences. Three British merchant banks, S G Warburg, J Heory Schroder Wagg and Kleiwort Benson, have been given securities licences in Japan.

More importantly, the ministry has opened the way for subsidiaries of the clearing banks to operate in the huge Tokyo securities market. The pioneering operation is that of County Bank, a subsidiary of National Westminster.

To comply with ministry regulations that no more than 50 per cent of a securities subsidiary is owned by a bank, National Westminster has entered into partnership with the Swire Group and BP.

But opening up Japan's financial system has meant more than simply adopting reciprocal arrangements with other countries.

In 1970 there was just one issue of yen-denominated foreign bonds. Currently, such issues average 1,200 billion yen (£4.7 billion) a year.

The Ministry of Finance has been discussing with Japanese corporations this year the issue in Tokyo of bonds



Money dealer in Tokyo foreign exchange: The dollar's decline has not deterred investors

denominated in foreign currencies. This would tap an already sizeable market for dollar-denominated bonds among domestic investors in Japan.

The accumulation of a huge current account has had its counterpart in the build-up of overseas assets. Last year Japan's net overseas assets rose by 74 per cent to \$129.8 billion, making it the world's greatest creditor nation. Gross external assets were \$437.7 billion, with about a third of them in the form of stock and bond holdings in the US.

The appetite of Japanese investors for US bonds has hardly been affected by the dollar's decline against the yen. There are two main reasons for this. The first is that Japanese investors are still wary of foreign equities, holding only a tiny proportion of their foreign portfolios in them. So, bond markets, and particularly the US market, emerge, almost by default, as a suitable outlet. Second, the pressure on Japanese financial institutions to perform well in the short term is less than that on their Western counterparts.

Since early this year six foreign securities firms — Jardine Fleming, Goldman Sachs, Merrill Lynch, Warburg/Rowe & Pitman/Akroyd, Vickers de Costa and Morgan Stanley — have had seats on the Tokyo Stock Exchange. A Tokyo presence, essential

to fulfil the concept of 24-hour trading between London, New York and the Far Eastern markets, is, for most of the foreign participants, not yet a profitable venture.

Nor is it easy to find alternative sources of profit. Corporate finance has so far proved a tough nut to crack for foreign firms. In some areas where foreigners undoubtedly have the lead in expertise, such as options and futures, the authorities have ensured that the pace of development in Tokyo is slow enough to allow the domestic firms to catch up.

Foreign securities firms handle a tiny proportion, averaging 1-2 per cent of market turnover in Tokyo. Jardine Fleming is the market leader in equities, while the American houses have the best of a small foreign market share in bonds.

The presence of foreign securities firms in Tokyo, and its counterpart, Japanese operations in New York, London and other centres, will speed the process of convergence between different financial systems. The number of foreign firms listed on the Tokyo Stock Exchange, although only 30, is growing at between 10 and 20 a year.

This itself brings pressure to bear for aligning the Japanese market with those in other countries.

Encouraging the development of the yen as a reserve currency is proving more difficult. Japan is the world's second largest economy, excluding the Soviet Union, but the yen's role remains a relatively minor one. Only 5 per cent of the currency reserves held in central banks around the world are in yen.

The problem has arisen because Japan's financial development has lagged well behind its economic progress and, moreover, its domestic market in financial services has traditionally been even better protected than the market for goods.

DS

Hi-tech is natural order of things

Technological innovation usually depends as much upon individual inventive genius as it does upon the willingness of a wider public to adopt its fruits. While Japan has yet to make a name for itself concerning the former requirement, the nation is favourably disposed to its public attitudes to new technologies.

This positive attitude towards the future is reflected in the country's increasing strength in key international sectors such as semiconductors and fibre-optics. Also in its readiness to use technologies that are controversial in their social impact — including robotics and nuclear power generation — and the boldness of the research initiatives it has mapped out for the remaining years of this century.

The origins of Japan's ready acceptance of innovation probably lie in the nation's philosophical and religious traditions. These favour prag-

matism and an acceptance of the transitory.

Change, including technological advance, is seen as the natural order of things in Japan, and the intensively competitive nature of the society further adds to the resulting dynamism.

The telephone card offers a simple example of the different reception which awaits a new technology in Japan, compared to that in Britain. Britain was the first nation to introduce the phone "credit card". Several years on, however, the cards are still in limited use, converted booths are scarce and one has to search even harder for card-sales outlets.

In Japan the story was quite different: within two years of introducing phone cards, they were in widespread use, booths and card machines easy to find and — especially characteristic — a huge new industry has blossomed around the printing on the

cards of advertisements and messages.

One might have expected the Japanese, with their wartime experience of atomic bombings and consequent "nuclear allergy", to draw the line at nuclear-power technologies, and because of the nation's high susceptibility to earthquakes.

On the contrary, the recent Chernobyl disaster caused barely a ripple of dissent and, with 33 nuclear power plants in operation, Japan now ranks fifth in the world as a nuclear power operator. Nuclear facilities already provide 13.9 per cent of its overall electricity generation requirements, a figure scheduled to grow to 19 per cent by 1990.

However, in regard to its celebrated "3rd Generation Computer" project, there are signs that Japan's Utopian portrayals of technological development will backfire. This aims to produce by 1992 a machine capable of handling

inference as the basic unit of operation — in contrast to conventional computers which rely on arithmetic processes.

At its inception in 1982 the boldness of this initiative attracted worldwide attention. The project has recorded undeniable achievements, but scepticism is growing among foreign observers as to whether the venture remains on course.

Major research programmes in Japan also cover such areas as new materials, man-machine interface technologies, direct-drive assembly robots and multi-megabit semiconductors. They are typically long-term, broad-based and ambitious and their researchers single-minded — qualities which cause justified concern among the fragmented research establishments of the European Community.

Roy Garner
A freelance journalist based in Tokyo

Economic miracle starts to falter

from facing page
... and for the purposes of international comparison, in dollars, the sharp rise in the yen's value produces, it is argued in Tokyo, a highly misleading picture.

In dollar terms, exports have been rising strongly so far this year and imports falling back. This is why forecasters are predicting a sharp widening of the balance of payments surplus in 1986.

Meanwhile, growth in the economy has stalled as businessmen have cancelled investment plans until it becomes clearer what is likely to be left of the export markets they have built up. In the first three months of 1986, gross national product fell by 0.5 per cent.

Several countries have experienced a weak first quarter, before adjusting to the new era of cheap oil. But the Japanese decline was notable as the first quarterly gdp fall for 11 years. There was a drop of 4.9 per cent in export volume and the rate of increase in investment spending was just 0.3 per cent.

It is generally expected that the economy, as in other countries, will gather strength as the year progresses. And inflation should fall to zero this week or next. But Japan is unlikely to enjoy the rosy prospect of growth without inflation for too much longer.

More painful adjustment lies ahead and that is likely to prove the dominant factor for the economy in the years ahead.

David Smith
Economics Correspondent

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Economic miracle in need of new habits

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1981 TOSHIBA CONSUMER PRODUCTS (UK) LTD Northolt Avenue, Emesettle, Plymouth, Devon PL5 2TS. 0752 364343 Manufacturer of TV, Video and Microwave Equipment
1979 TOSHIBA INTERNATIONAL COMPANY LTD Audrey House, Ely Place, London EC1N 6SN. 01-242 7295 Heavy Industrial Equipment and Procurement
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JAPAN/3

FOCUS

A switch to the private track



The Shinkansen, or bullet train, pride of Japanese National Railways, its profits may be used to cover losses of other companies after the JNR split-up

Denationalization of public corporations in Japan stems from the need to reduce a long-term national debt of 168,300 billion yen (about \$673 billion), the equivalent of more than 50 per cent of gross national product.

The move is part of a broad programme of administrative reform initiated in 1981 and aimed at diminishing the role of government and thereby its debt.

The three main corporations are Nippon Telegraph & Telephone (NTT), Japanese National Railways (JNR) and Japan Tobacco (JT), which also handles the salt monopoly. In addition, the government intends to sell its minority share in Japan Air Lines (JAL).

● Nippon Telegraph & Telephone

NTT changed from public corporation to joint stock company and lost its telecommunications monopoly on April 1, 1985. However, the government remains the sole owner. It is expected to sell half its stake over five years from this autumn but for security reasons will not reduce its holding below one third.

Foreigners will not be able to bid but this ruling may be amended at the end of the decade.

Though still state-owned, NTT can raise funds without government permis-

Foreigners not able to bid

sion and its employees have the right to negotiate wages and go on strike.

Since last April it has invested in more than 40 new projects, including a 50-50 joint venture with IBM Japan in value added network (VAN) services.

The new NTT's revenue for the first year of operation was 5,100 billion yen (about £20.4 billion) and pre-tax profit 316 billion yen. This is considered a good basis from which to make an initial offering of shares on the Tokyo Stock Exchange.

The work force has been cut by 26,000, to 304,000, since 1980 and the management hopes to trim it by at least 5,000 a year in the near future. At the same time it will invest in new equipment such as unstaffed telephone exchanges. These changes are designed to make NTT better able to face competition.

● Japanese National Railways

Admired for its punctuality and engineering skills, JNR has been astoundingly profligate in its financial dealings. Its

accumulated debt was more than 23,000 billion yen (\$92 billion) at the end of fiscal 1985.

In clearing it, the government is following the recommendations of a committee which reported last year. These are to split JNR into eight companies, three on Honshu and one each on Hokkaido, Shikoku and Kyushu, one to run the Shinkansen or "bullet train" services and one to handle freight.

By that time total JNR debt will amount to 37,300 billion yen, the big jump due to the inclusion of latent liabilities such as the cost of pensions and projects such as the Seikan tunnel between Honshu and Hokkaido and the bridges across the Inland Sea.

According to Professor Hiroshi Kato, a member of the reform committee, the new companies, helped by profits from the Shinkansen operations, will pay off 14,200 billion yen of this total. The old JNR, which will remain in existence after next March, will shoulder 23,100 billion yen, 16,700 billion yen of which will be written off by the government and 5,800 billion yen met by the sale of land.

Professor Kato believes that the new companies can be profitable from the first year of operation but this will depend on cuts in the work force, using Shinkansen profits to cover losses elsewhere, and setting up a 1,000 billion yen fund to subsidize railways in the three outlying islands. The plan is to sell the companies as they become profitable.

In 1980 JNR had 420,000 employees. Today the figure is about 277,000 but the reform plan says that only 183,000 will be needed by the new companies.

Of the surplus, 41,000 will be kept on in the old JNR for three years, during which they will be retrained and, it is hoped, found alternative employment. Thirty-one thousand jobs will go through natural wastage and 20,000 workers will be asked to take voluntary redundancy.

● Japan Tobacco

Like NTT, Japan Tobacco became a joint stock company on April 1 last year and is still 100 per cent government-owned. The reason for its change of status was more political than financial; foreign, particularly United States, companies were urging the government to open up the domestic cigarette market.

These companies can now set up their own distribution networks in Japan but

the manufacture of cigarettes remains a JT monopoly.

With tobacco sales of more than 2,686 billion yen in fiscal 1985, JT held 97.6 of a rather flat domestic market. However, foreign companies' turnover is rising at about 15 per cent a year.

No timetable for privatization has been fixed.

● Japan Air Lines

Moves to sell off the government's 34.5 per cent stake have accelerated since the crash of a JAL domestic flight last August with the loss of 520 lives. Since that disaster the whole of the top management has been replaced and the structure of the company changed. JAL shares could start to come on to the market next summer.

Largely as a result of the crash, JAL recorded an after-tax loss of 6.7 billion yen in the year ending March 31, 1986. Total revenue, of 823.9 billion yen, was down 0.4 per cent, that from domestic passengers, 13.4 per cent. The company expects to make a small profit in fiscal 1986.

The prelude to its becoming a wholly private concern comes at a time of great changes in Japanese aviation. Under the

ANA has its eye on a London route

old policy JAL was assigned international routes and domestic ones between Tokyo, Osaka, Sapporo, Fukuoka and Naha, and All Nippon Airways and Tokai Domestic Airlines flew domestic routes.

Now, ANA has started international flights - to Guam in March and to Los Angeles and Washington later this month. It has its eye on the China and London routes, the latter in return for non-stop flights by British Caledonian to Tokyo. In addition, Nippon Cargo Airlines, in which ANA is the main shareholder, started flights to San Francisco and New York last year.

In return for ANA's move overseas, JAL is being permitted to start domestic flights between Tokyo and Kagoshima later this month and between Nagoya and Fukuoka and Tokyo and Komatsu in October. In the short term, it aims to raise its share of the domestic market from 20 to 30 per cent.

Simon Scott Plummer

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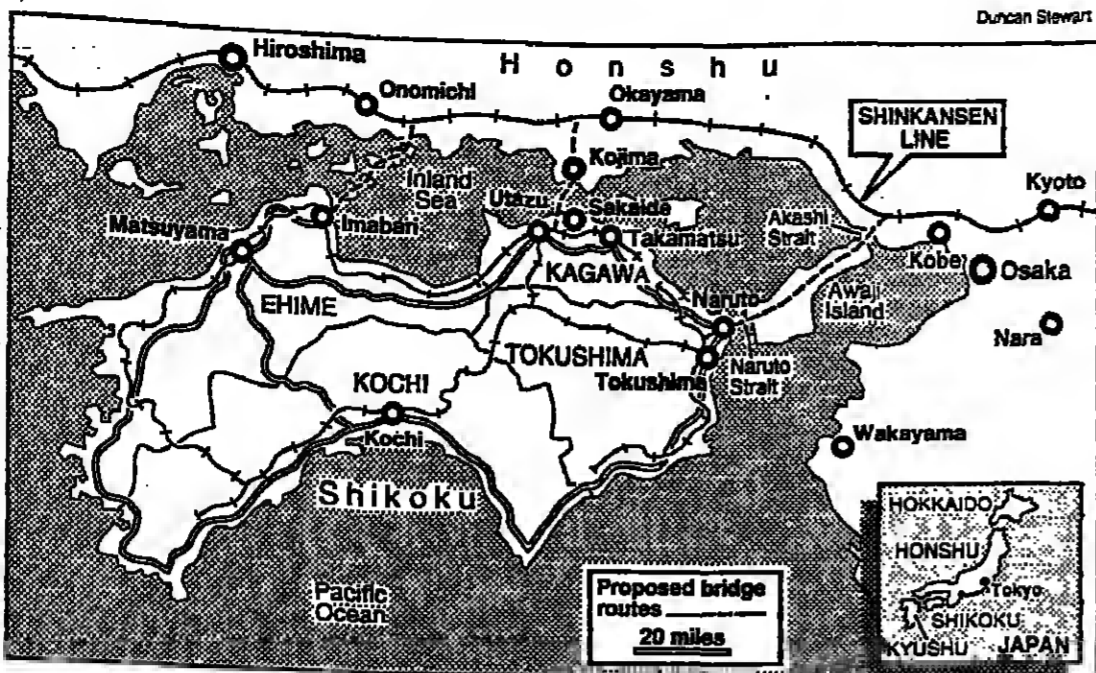
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FOCUS



An end to the isolation

The smallest of Japan's four main islands, Shikoku is also the least known. Despite its proximity to the great cities of western Honshu it has remained a backwater, popular with tourists for its festivals and with pilgrims for its Buddhist temples.

Its isolation is about to be ended by the building of bridges across the Inland Sea to Honshu. Kyushu and Hokkaido have already been linked to the main island, the first by three tunnels and a bridge and the second by the world's longest undersea tunnel.

Shikoku is due to follow suit in 1988 with the opening of a chain of bridges which hop from island to island between Kojima and Sakai (see map). Two further routes, one to the east via Awaji Island, the other to the west, are also under construction. The total cost, at 1982 prices, is estimated at 3,360 billion yen (about £13.44 billion).

Work on the middle route, which measures nearly six miles from shore to shore, is 75 per cent done. Cables strung between huge steel towers loop across the sea awaiting the attachment of a double-deck truss, with a four-lane road above and a two-track railway beneath.

How will completion of the Kojima-Sakai route affect Shikoku and, in particular, Kagawa prefecture? Tadao Maekawa, the governor, said it would more than halve, to about 50 minutes, the journey between Takamatsu and Okayama on Honshu. The prefecture would be able to deliver its fish, fruit and vegetables more rapidly to the big cities on the

main island and in return would hope to attract high-tech investment and tourists.

Though the Kojima-Sakai route will make the initial impact on Shikoku, in the longer term the eastern route is expected to have a greater effect because of the direct link it will provide with Kobe, Osaka and Kyoto. Only two suspension bridges are needed between Kobe and Naruto, but both are enormous. The southern one, with an 876-metre central span over the Naruto Strait, was opened last year and in April work began on its northern partner, across the Akashi Strait. On completion in 1998, it will have

Objections from ferry companies

the longest central span - 1,780 metres - of any suspension bridge in the world, a record held by the 1,410-metre Humber Bridge.

Initially this will be a road link only but there is talk of either digging a railway tunnel under the Akashi Strait or bringing it across from Wakayama prefecture to the east, then taking it over the Naruto bridge, which already has a spare deck for trains.

Shinzo Miki, governor of Tokushima, expects many companies to invest in the prefecture, thus reducing migration. In the other direction, Tokushima will be able to get its agricultural produce more quickly to Osaka and Kobe.

On the western route, between Oomichi and Imabari, two bridges have been completed and two are being built. The entire

route, which will have six bridges, is due to open early in the next century.

Though the local governments welcome the ending of Shikoku's isolation, not everyone is so enthusiastic. Foremost among the objectors are the ferry companies which ply the Inland Sea. Takamatsu is the main departure point on Shikoku for the ferries and the opening of the Kojima-Sakai bridges will lead to the loss of 800 jobs. Both Kagawa and Okayama, on the opposite shore in Honshu, are paying compensation to the ferry operators and trying to find them other jobs. Compensation has also been paid to fishermen whose grounds are being disturbed and polluted by construction work.

Finally, there are the 800 people who live on three of the small islands across which the Kojima-Sakai route passes. The inhabitants of two, Iwakuro and Hitsuishi, live from fishing and those of the third, Yoshima, have had their livelihood removed because the bridge has swallowed up a granite quarry.

The benefit, or otherwise, of the bridges is likely to spread only slowly inland from Takamatsu and Tokushima because of the lack of good roads. The plan is to have eventually a motorway network in the shape of a figure of eight across the island. However, officials in Takamatsu said that because of the difficulty in acquiring land from the farmers it would be 10-20 years before the Tokushima-Matsuyama and Tokushima-Kochi legs were opened.

SSP

Emotion fuels the mighty ad industry

As an advertising market Japan is second in size only to the United States, although expenditure remains a fraction of that across the Pacific. In 1985 it came to nearly 3,000 billion yen (about £12 billion), with 35.2 per cent going to television and 28.7 per cent to newspapers. However, this impressive total cannot hide the fact that growth of the industry has slowed since 1980.

Last year it recorded the lowest rise (2.3 per cent) since 1965. The prospects for 1986 are not much better. The domestic market has reached saturation point and the agencies now face the challenge of stimulating demand in a way that was unnecessary before.

Will this lead to a change in their methods of doing business? To answer that one must look at some of the peculiarities of the Japanese advertising industry.

First, advertisements tend to be less strident than in the West. There is more concern for creating an image than in making a hard sell, for entertaining rather than informing.

The Japanese agencies explain this approach by saying that they rely on intuition rather than logic. In the West the product is the core and emotion is wrapped round it; in Japan the reverse is true.

Norman MacMaster, head of J. Walter Thompson in Tokyo, believes that the reason for the

two-fifths of the market, did less than 10 per cent of their business overseas. Compare this, at the other end of the scale, with McCann-Erickson, which gets more than 70 per cent of its billings outside the US.

Growth abroad is far higher than that in Japan. Dentsu's overall billings rose by only 1.2 per cent in 1985 (to \$3.5 billion). But those of its joint venture in foreign markets with the American agency Young & Rubicam were up by nearly 16 per cent and are expected to climb nearly 40 per cent this year.

Hakuhodo's domestic growth in 1985 was 4.6 per cent, twice the national average. But overseas, where it is affiliated with SSC&B/Lintas, it was more than 30 per cent. The company plans to get 10 per cent of its billings from abroad in three years time.

Until the merger earlier this year of three American agencies, Doyle Dane Bernbach, BBDO and Needham Harper, Dentsu was the largest in the world in terms of billings - that is, the value of the advertisements placed through it. However, it lagged behind Young & Rubicam, Saatchi & Saatchi and Ogilvy in gross income.

Whereas in the West an agency tends to have an exclusive agreement with an advertiser at a fixed commission, Japanese agencies will often take less commission, particularly when they are competing for new business. Hakuhodo said that while Western agencies tended to concentrate on the more profitable parts of the business their Japanese counterparts would take on less lucrative work such as product development and public relations. Now that growth is down, these sort of services may well be reduced.

Having built up their business through placing ads on television and in the press, the Japanese agencies have recently moved into non-mass media activities such as sales promotions, public relations and organizing cultural and sporting events.

They are also investing in new media such as cable television, videotex, teletext, satellite broadcasting and high definition television. However, these are more of an insurance policy for the future than an immediate source of revenue. For instance, the next

Style generally takes precedence

differences is structural rather than ethnic.

He points out that for years Japanese agencies simply bought up TV time and sold it to eager advertisers, rather than creating ads themselves. Even today they subcontract much creative work to freelancers. In addition, they are seen just as suppliers and often not shown the market research done by their clients. The result is that style takes precedence over substance.

Mr MacMaster says that the best Japanese advertising, as in the West, has both substance and style. Economic recession may induce more companies to follow this lead.

Another peculiarity of the industry is its insularity. In 1985 Dentsu and Hakuhodo, which between them account for nearly



Focus of attention: Japanese companies spend £12 billion a year wooing consumers with advertisements

broadcasting satellite is not due to be launched until 1990.

If the Japanese way of selling is different from that of the West, so is the relationship between advertiser and agency. The Western model is that of a long-lasting partnership where the two sides together manage a brand.

In Japan, advertisers buy à la carte, placing the creative contract for a product here and the media one there. According to Max Cusnir, who runs McCann-Erickson in Tokyo, rarely is an agency given complete responsibility for a brand and never the whole of a company's account.

Likewise, one Japanese agency will handle business from competing clients - for instance, the car makers Toyota and Nissan or the consumer electronics companies Matsushita and Toshiba. This would not happen in the West.

On the subject of creative work, the big agencies appear to be embarrassed by the sub-contracting they do to freelancers. Both Dentsu and Hakuhodo said that all such work was done in-house. This assertion was contradicted by Satoshi Watanabe of the Japan Advertising Federation and by the heads of the two biggest foreign agencies in Japan.

One wonders how long it will be - unless the likes of Dentsu and Hakuhodo strengthen their creative departments - before advertisers try to deal with freelancers direct.

It would not happen here

SSP

Japanese made easy, courtesy of Epson.

Good morning, Mr Shopkeeper.

Not bad thank you, and yourself?

Today it is fine, but I fear that tomorrow it will rain.

The donkey of my cousin cannot ride a unicycle.

But enough of this friendly chit-chat, I would like an Epson computer printer please.

The printers of Epson are frightfully reliable, are they not?

No wonder they have over 40% of the world printer market.

No, I did not know they also took 10% of the British PC compatible market in only two months.

Golly! Could I have an Epson desktop PC as well, please?

おはようございます。OHAYO GOZAIMASU.

おかげさまで元気でございます。あなたは何如ですか。OKAGESAMA DE GENKI DE ORIMASU. ANATA WA IKAGA DESU KA.

きょうはいい天気ですが明日は雨になるかも知れません。KYO WA II TENKI DESU GA ASHITA WA AME NI NARU KA MO SHIREMASEN.

いとこのろばは一輪車が出来ません。ITOKO NO ROBA WA ICHIRINSHA GA DEKIMASEN.

それはそうとエプソンのプリンタを購入したいのですが。SORE WA SOTO EPUSON NO PURINTA O KONYU SHITAI NO DESU GA.

エプソンのプリンタは信頼性がすごく高いそうですね。EPUSON NO PURINTA WA SHINRAISEI GA SUGOKU TAKAI SO DESU NE.

ですから世界で40%市場があるのです。DESU KARA SEKAI DE YONJU PAASENTO SHIJU GA ARU NO DESU.

ああそうですか。知りませんでした。英国のPCコンパティブル市場で二ヶ月の間に10%のシェアを獲得しました。

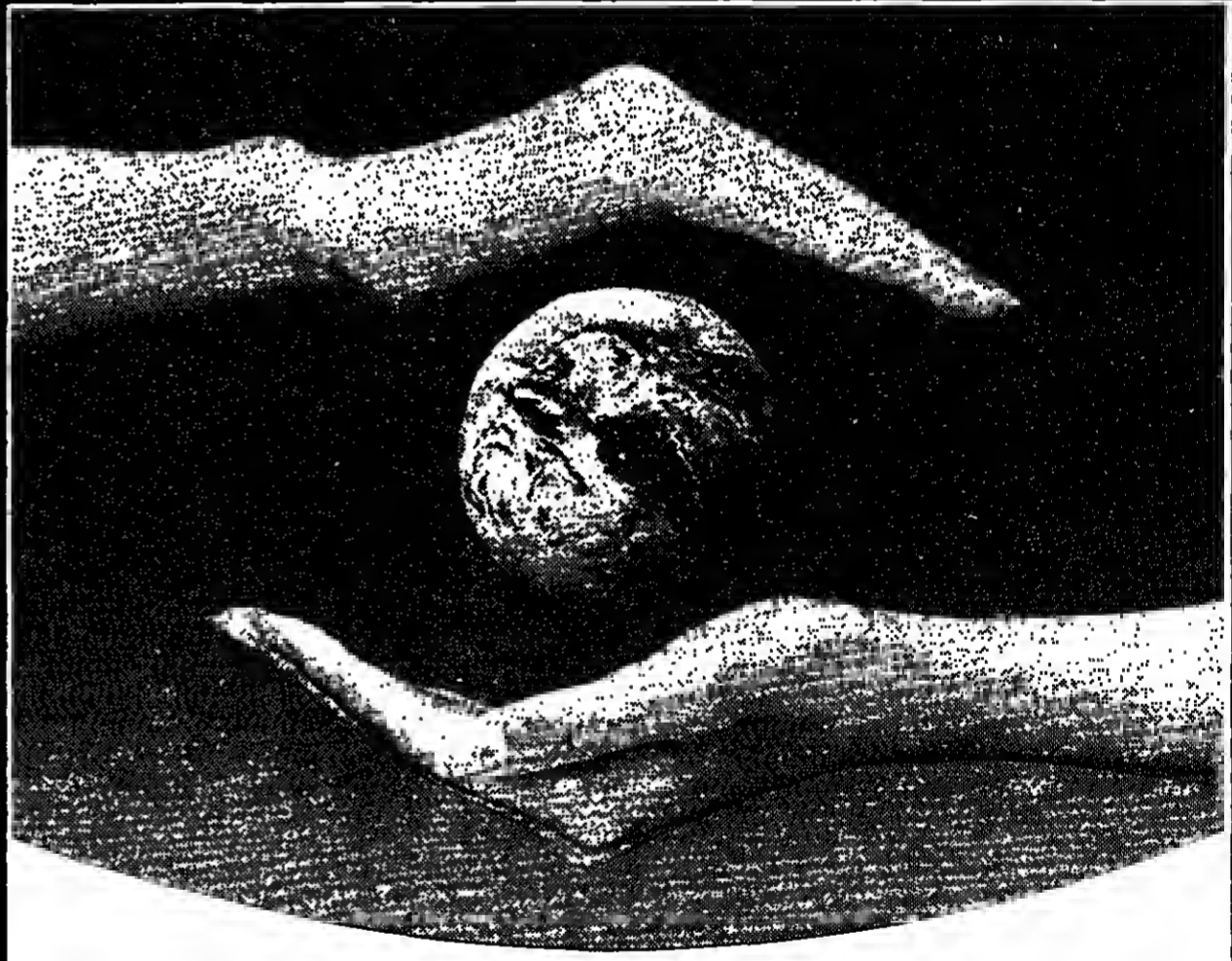
AA SO DESU KA. SHIRIMASEN DESHITA GA EIKOKU NO PC KOMPATIBURU NO SHIJU DE NIKAGETSU NO AIDA NI JUPPAASENTO NO SHEA O KAKUTOKU SHIMASHITA.

本当ですか。それではエプソンのPCも下さい。HONTO DESU KA. SORE DE WA EPUSON NO PC MO KUDASAI.

Well, what did you expect? This is an advertisement, for goodness' sake.

EPSON

Epson (U.K.) Limited, Dorland House, 388 High Road, Wembley, Middlesex HA9 6UH. Tel: 01-902 8892. A Member of the Seiko Epson Corporation.



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.....We may not be the oldest integrated brokerage in Japan, but for the past sixteen years we have been providing expert advice on the Japanese stock, bond and money markets to UK institutions.

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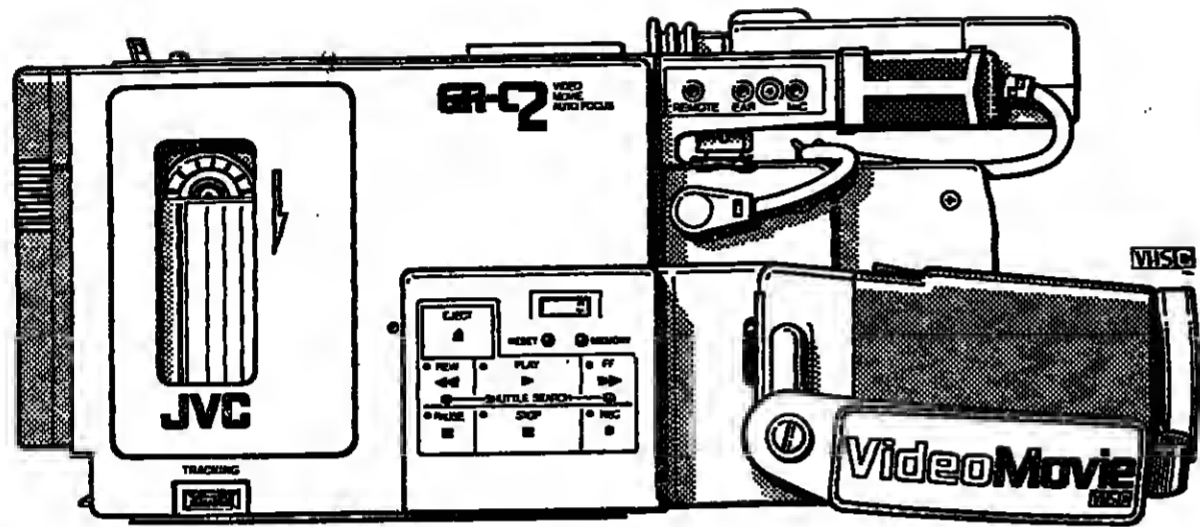
Move closer to Japan; New Japan Securities Europe

NEW JAPAN SECURITIES EUROPE LIMITED

4 Fenchurch Street, London EC3M 3AL. Tel: 01-626-7855

HEAD OFFICE: 6-20, Kyobashi 1-chome, Chuo-ku, Tokyo, Japan Tel: Tokyo 561-1111 Telex: J22666 Overseas Offices and Subsidiaries: SYDNEY, BAHRAIN, FRANKFURT, PARIS, HONG KONG, ZURICH, GENEVA, LONDON, NEW YORK, LOS ANGELES

6m times better than 8mm.



There are 6 million VHS recorders in the UK. And the JVC Video-Movie is compatible with every single one. An important feature but one that 8mm salesmen may be slow to point out. **JVC**

The power to communicate



Personal Computers, Printers, Disk Drive, Facsimile, PBX, Key Telephones, Mobile Telephones, Radio-Pagers, TV and Video. NEC Business Systems (Europe) Ltd., 35 Oval Road, London NW1 7EA. Tel: 01 267 7000. **C&C** Computers and Communications



Forward with fabrics

The influence of Japanese design on Western fashion has been overwhelming in the 1980s. The West has frequently looked East for inspiration and renewal. But in the first half of this decade, Japanese designers have exported their designs to Europe, set up shop in international fashion capitals and profoundly affected the development of taste.

Japan has challenged the sexist concept that dress must be based on the shape of the body. An emphasis on fabric rather than form has set in motion a fashion revolution.

The current flowering of Japan's fashion has its roots in Paris nearly 20 years ago. Designer Kenzo Takada helped to shape French ready-to-wear with his colourful collections and knitwear shapes based on the two-dimensional kimono.

At the same time, his compatriot Issey Miyake, stirred by the revolutionary movement in France in 1968, broke away from the French *couture* tradition in which he was trained. He rejected elitist dress and went back to basics — to the cloth itself, its potential and performance.

Both these designers have always insisted that they are designers first and only incidentally Japanese. Yet from them have developed the essential elements of Japanese fashion today: a belief in fabric, a rejection of the Western concepts of form and status, and a look that appeals

to the modern young, of both sexes.

The shock of the new came in Paris in the autumn of 1982, with the emergence of a Japanese school of design, led by two intellectuals and firm friends, Rei Kawakubo and Yohji Yamamoto.

Rei Kawakubo showed warrior women on the march in her *Comme des Garçons* shows. They would stride without make-up, or with bruised and blackened faces, in formless clothes in unrelenting blacks and greys, to the

It has adapted to the market-place

beat of atonal music. Her slashed and tattered clothes, sweaters with holes like gruyère cheese and asymmetric body wrappings, were on the same wave-length as British punk and caught the fashion mood of the time.

But the strength of modern Japanese fashion is that it has grown and adapted to the market-place, in a way that creative British designers must envy. Today's *Comme des Garçons* collections, and its increasingly important menswear ranges, have compromised with Western taste.

Five years after the fashion bombshell, the strongest of the Japanese designers working abroad have survived. And back home, a new-found confidence and creative energy

inspires both design and retailing, with Japanese stores now colonizing Hong Kong.

Kenzo still works entirely within a Western tradition, as does Japan's *couturière* Hanae Mori. The 60-year-old designer is known in the West for her elegant and beautifully crafted clothes, especially evening wear, in Madame Butterfly silks and vivid colours. She first set up business in Tokyo in the 1950s and now owns 15 companies, including the wholesale company Studio V.

In the same colourful tradition, but with completely different clothes, is Kansai Yamamoto, whose dramatic knitwear and theatrical fashion spectacles suggest the costumes and drama of Kabuki theatre.

Junko Koshino came over to England in 1973 and now has a successful business of young, contemporary sportswear, manufactured in Japan and Italy. She is one of three designing sisters. Junko and Kiroko Koshino both work out of Paris, but the three show together in Japan.

Issey Miyake claims that the greatest influence on his fashion thoughts is Madame Vionnet, who invented bias-cutting in the 1920s. Like her, Miyake takes a fabric and lets it fall freely, rather than cutting and stitching it into a rigid form. He takes that concept one stage further by creating garments which literally change form on the runway: capes that fall from the

So relaxed: Miyake's free-falling unstructured layers.

shoulders into a skirt or hood that unfold to create collars or sleeves.

Research into traditional Japanese work clothes encouraged Miyake to use thick, quilted cottons and woven stripes that seem made for modern times.

Suzzy Menkes
Fashion Editor

Cinema's new double bill of talent and cash

After a long period of relative eclipse the Japanese film is shining again, with money in the boom box-office and a new lustre abroad.

Responsible for the eclipse were a declining studio system — over-stuffed with enormous overheads, afraid to take chances and wary of new talent — and a lack of independent money willing to back novel projects.

Typical of the situation were the extremes to which Akira Kurosawa, Japan's finest director, was put in search of funding. Turned down in his own land in his attempts to find the money for *Ran*, the director went, Lear-like, from place to place before finding major funding in France. Money for his last three films

has come from outside Japan.

There is, however, new money for a range of smaller-budget films. Among the heaviest of the new investors is Fuji-TV, which financed both Koo Kibikawa's remake of *The Harp of Burma*, last year's top money-maker, and *The Antarctic Story*, the most financially successful Japanese film ever made.

CBS-Sony, Kadokawa Publishing, Sanrio and Seibu-Parco have all provided funding and, in some cases, distribution for the new films.

These companies, all deep into diversification, will bank-roll projects the big studios feel they cannot afford to touch. Television stations, department stores and publishing houses do not have studio overheads because they have

no studios, nor do they have stockholders demanding instant profit from films.

Yanagimachi, Oguri, Morita, Somai and Hayashi are among the directors who have benefited from these changes.

A fairly young and knowledgeable film-viewing audience exists in Japan and high admission prices make film-making a viable business once this audience is attracted, something which the major studios, playing it safe, have on the whole failed to do.

It is a comparatively small audience (about 355,000 in 1985, down from 217,000 in 1971) but tickets are quite expensive — 1,118 yen (about £4.47) on average in 1985, against 366 yen in 1971. These returns are for those making

the most popular films, the great majority of which have been independent productions.

Among the results is that the old producer system of making films (Toho, Toei, Shochiku producers telling directors what to do) is giving way. The new film money is all independent and department stores have no film producers. Japanese cinema is consequently reverting to being director-oriented, just as it was in the great days of Ozu, Mizoguchi, Naruse and others.

Donald Richie

Author of many books on Japanese films. Donald Richie has just completed a new book on world cinema. Viewing Film



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MEDICAL INSTRUMENTS
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Thousands of people need your help to ease the pain of cancer.

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CHILD W KIDNEY ILL
Read this important self prepared by the country's leading kidney specialists. Support your child just £1. All contributions go to the National Kidney Research Fund.

هكذا من الأصل

كسازمان العمل

Restaurant Guide

Restaurants in London including Wimbeldon Palace, Courashi Constantine, and Govers.

Parco's restaurant advertisement with phone number 01-584 9777.

The Gandhi Cottage advertisement for Indian cuisine with phone number 01-221-9396.

La Bonne Franquette advertisement for French and English cuisine.

AKROTIRI advertisement for Greek cuisine.

LA BONNE FRANQUETTE advertisement with phone number 0724-39494.

The Gandhi Cottage advertisement with phone number 01-221-9396.

PERSONAL

Announcements and services including company sales, legal services, and wanted notices.

Services section including company sales, legal services, and wanted notices.

Wanted section for large tables, chairs, and other items.

For Sale section including property listings and business opportunities.

Resista Carpets advertisement for sales and services.

Advertisement for Markson Pianos with phone number 01-491 2777.

Advertisement for Musical Instruments with phone number 01-491 2777.

Child with Kidney Illness advertisement for the National Kidney Research Fund.

RENTALS

Overseas Travel section with various destinations and agencies.

Antiques & Collectables section listing various items for sale.

Yachts, Planes & Sporting section featuring luxury vessels and equipment.

Animals & Birds section listing pet services and products.

Swimming Pools section advertising pool installation and maintenance.

Enclosed Pools section for year-round swimming.

Short Lets section for temporary accommodations.

Flatshare section for shared living arrangements.

Travelers' Seals and Malaga Athens Corfu advertisement.

Sturgis

Chesterton's advertisement for property services.

Curashi Constantine advertisement for quality flats.

Spacious Luxury Flat advertisement.

Palace Properties advertisement for property services.

Nathan Wilson & Co advertisement for letting services.

Supers Location advertisement for property services.

SWR Real Estate advertisement for property services.

Advertisement for property services in London.

Advertisement for property services in London.

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Advertisement for property services in London.

Advertisement for property services in London.

Today's television and radio programmes

Edited by Peter Dear and Peter Davalle

Table of television and radio programmes across various channels including BBC 1, TV-AM, BBC2, CHANNEL 4, Radio 4, and Radio 3. Includes programme titles, times, and brief descriptions.

Entertainment listings section containing concert dates, exhibition schedules, and theatre performance listings across various venues.

Yorkshire face a fight from Sussex. Advertisement for a cricket match, including details about the teams and the event.

Quarter-final. Advertisement for a tennis tournament, mentioning the quarter-final stage.

